America there is every degree of temperature; every type of soil and probably every mineral product needed in industry. If through a better prepared and instructed exchange of tourists; through an expanded student exchange program;

through a more effective diplomatic exchange and an effective governmental policy, we approach the problem of a free foreign trade, not exclusively but predominately in the Western Hemisphere, we will not need be tempted by

the siren of trade with Russia and Red China.

We should continue through the United Nations to fight Communists on the diplomatic level but build a sound trade with free countries.

SENATE

TUESDAY, JULY 20, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following praver:

Eternal Father, once more we enter the stream of life with its rush and pressure of public affairs. We pray for the quickening awareness of Thy constant presence. May we face all the duties which the day may bring in the firm confidence that Thou art our sufficient shield and defense. With that assurance may we know that neither disappointment nor weariness, nor any temporary defeat, can separate us from Thy love.

Thou hast kindled a divine light on the altar of our souls. Always may we remember that we are guardians of that sacred flame. Guide us to find the burning bush that glows in the drab valley of daily duty. In all our dealings with distressed humanity, yearning for a more abundant life, keep us faithful to the spirit of the Master who came not to be ministered unto, but to minister. We ask it in His name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 19, 1954, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 2670. An act to provide for the ter-mination of Federal supervision over the property of certain tribes, bands, and colonies of Indians in the State of Utah and the individual members thereof, and for other purposes;

S. 3197. An act to authorize the acceptance of c nditional gifts to further the de-

fense effort: and

S. 3344. An act to amend the mineral-leasing laws and the mining laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes.

The message also announced that the House had passed the bill (S. 3487) to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures, and for other purposes, with

amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1843. An act to increase the retired pay of certain members of the former Lighthouse Service;

H. R. 4118. An act to authorize the preparation of rolls of persons of Indian blood whose ancestors were members of certain tribes or bands in the State of Oregon, and to provide for per capita distribution of funds arising from certain judgments in favor of such tribes or bands:

H. R. 5796. An act to amend the Bank-ruptcy Act to make tax liens of States and their subdivisions valid against trustees in bankruptcy:

H. R. 5832. An act to authorize the Commissioner of Public Lands of the Territory of Hawaii to sell public lands to certain lessees, permittees, and others;

H. R. 6223. An act to amend section 87 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 47), to relieve the States from accountability and pecuniary liability for property lost, damaged, or destroyed except in cases where it shall appear that the loss, damage, or destruction of the property was due to carelessness or negligence or could have been avoided by the exercise of reasonable care;

H. R. 6399. An act granting the consent and approval of Congress to an interstate forest fire protection compact;

H. R. 6814. An act to facilitate the acquisition of non-Federal land within areas of the National Park System, and for other pur-

H. R. 7568. An act to authorize and direct the Farm Loan Board of Hawaii to convey certain land and to ratify and confirm certain acts of said Farm Loan Board;

H. R. 7734. An act to amend section of the National Defense Act concerning the requirement for bond covering certain property issued by the United States for use by Reserve Officers' Training Corps units maintained at educational institutions;

H. R. 7912. An act to abolish the Old Kasaan National Monument, Alaska, and for other purposes;

H. R. 8205. An act to authorize the conveyance by the Secretary of the Interior to Virginia Electric & Power Co. of a perpetual easement of right-of-way for electric transmission line purposes across lands of the Richmond National Battlefield Park, Va., such easement to be granted in exchange for, and in consideration of, the conveyance for park purposes of approximately 6 acres of land adjoining the park;

H. R. 8783. An act to provide for the conveyance of certain housing units owned by the United States to the Housing Authority of St. Louis County, Mo.;

H.R. 8898. An act to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended:

H. R. 9302. An act to permit retired members of the uniformed services to revoke elections made under the Uniformed Services Contingency Option Act of 1953 in certain cases where the elections were made because of mathematical errors or misinformation;

H. J. Res. 359. Joint resolution designating the period from October 11 to October 16, inclusive, 1954, as National Nurse Week,

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 7466. An act to authorize the Secretary of the Interior to execute an amendatory repayment contract with the Pine River irrigation district, Colorado, and for other purposes: and

H. R. 8026. An act to provide for transfer of title to movable property to irrigation or water users' organizations under the Federal

reclamation laws.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. Knowland, and by unanimous consent, the Committee on Interior and Insular Affairs, the Committee on Finance, the Committee on Government Operations, and the Subcommittee on Rules of the Committee on Rules and Administration were authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Mansfield
Bennett	Hayden	Murray
Bricker	Hill	Payne
Burke	Holland	Robertson
Butler	Johnson, Tex.	Saltonstall
Clements	Kerr	Smith, Maine
Dirksen	Kilgore	Thye
Dworshak	Knowland	Welker
Flanders	Langer	Wiley
Gillette	Lehman	Williams

Mr. CLEMENTS. I announce that the Senator from Missouri [Mr. Hennings] is necessarily absent.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Arkansas [Mr. McClellan] are absent on official business.

The VICE PRESIDENT. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate

After a little delay, Mr. Anderson, Mr. Barrett, Mr. Beall, Mrs. Bowring, Mr. BRIDGES, Mr. BUSH, Mr. BYRD, Mr. CAPE-HART, Mr. CARLSON, Mr. CASE, Mr. CHAVEZ, Mr. Cooper, Mr. Cordon, Mr. Crippa, Mr. DANIEL, Mr. DOUGLAS, Mr. DUFF, Mr. EASTLAND, Mr. ELLENDER, Mr. ERVIN, Mr. FERGUSON, Mr. FREAR, Mr. FULBRIGHT, Mr. GEORGE, Mr. GOLDWATER, Mr. GREEN, Mr. HENDRICKSON, Mr. HICKENLOOPER, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. JOHNSTON of South Carolina, Mr. KEN-NEDY, Mr. KUCHEL, Mr. LENNON, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MARTIN, Mr. MAYBANK, Mr. McCarran, Mr. McCarthy, Mr. Millikin, Mr. Mon-RONEY, Mr. MORSE, Mr. MUNDT, Mr. NEELY, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. REYNOLDS, Mr. RUSSELL, Mr. Schoeppel, Mr. Smathers, Mr. Smith of New Jersey, Mr. Sparkman, Mr. Sten-NIS, Mr. SYMINGTON, Mr. UPTON, Mr. WATKINS, and Mr. Young entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is

present.

Routine business is now in order.

EXECUTIVE COMMUNICATIONS,

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PAUL A. SMITH

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the President to place Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey, on the retired list, in the grade of rear admiral (lower half) the Coast and Geodetic Survey, at the time of his retirement, with entitlement to all benefits pertaining to any officer retired in such grade (with an accompanying paper); to the Committee on Interstate and Foreign

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF AGRICULTURE

A letter from the Administrative Assistant Secretary, Department of Agriculture, transmitting, pursuant to law, a report on tort claims paid by that Department for the period July 1, 1953, to June 30, 1954 (with an accompanying report); to the Committee on the Judiciary.

The VICE PRESIDENT appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the committee on the part of the Senate.

EXPRESSION OF THANKS FOR AS-SISTANCE GIVEN MEXICAN CITI-ZENS DURING RECENT FLOODS

The VICE PRESIDENT laid before the Senate a letter from the Assistant Secretary of State, transmitting a translation of a note from the Ambassador of Mexico, expressing the appreciation of the Government and people of Mexico for the assistance given to Mexican citizens in the border area during the recent floods along the Rio Grande, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

RECLAMATION—TELEGRAM FROM EXECUTIVE HEAD OF RURAL ELECTRIC COOPERATIVES, BIS-MARCK, N. DAK.

Mr. LANGER. Mr. President, I am in receipt of a telegram from R. G. Harens, executive head of the Rural Electric Cooperatives, Bismarck, N. Dak., embodying a resolution adopted that organization at Bismarck, N. Dak., relating to the problem of reclamation. I ask unanimous consent that the telegram be appropriately referred and printed in the RECORD.

There being no objection, the telegram was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., July 19, 1954. Senator WILLIAM LANGER,

Washington, D. C .:

May we present for your interest the following resolution:

"Whereas recent experience has forcibly demonstrated to us the urgent necessity of having adequate spare transformers in order to restore service within the shortest pos-

"Whereas it would seem of utmost importance that the Bureau of Reclamation should have adequate mobile spare trans-formers located in our region that could readily be moved to any Bureau substation in our region where an emergency devel-

oped: Now, therefore, be it

"Resolved, That we, the North Dakota Association of Rural Electric Cooperatives, in annual meeting assembled in Bismarck, N. Dak., this 15th day of July 1954, hereby urgently recommend that the Bureau of Reclamation forthwith obtain and henceforth maintain in our region such readily movable spare mobile transformers which may be transported over our State highways."

We urge Congress to appropriate such funds as may be necessary to accomplish this in the pending supplemental appropriation bill for the Bureau of Reclamation.

Your help on this matter will be appre-

R. G. HARENS.

FULL PARITY FOR FARMERS-LETTER AND PETITION

Mr. LANGER. Mr. President, I am in receipt of a letter from Theodore Carlson, of Dunn Center, N. Dak., transmitting a petition signed by businessmen of Halliday, N. Dak., favoring the enactment of legislation providing full parity for farmers. I ask unanimous consent that the letter and petition be appropriately referred and printed in the RECORD, together with the names of businessmen of Halliday who signed the

There being no objection, the letter and petition were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, together with all the signatures thereto. as follows:

DUNN CENTER, N. DAK., July 16, 1954. Hon. Senator WILLIAM LANGER,

Washington, D. C.

My DEAR SENATOR LANGER: Am sending you a petition signed by businessmen of Halliday, Dak., backing farmers for full parity. I thank you for your strong efforts on your part backing up the farmers program.

I am the chairman of the Dunn County A. S. C. in North Dakota. What can be done,

to retain the old committees, Benson's plan to change all committees is not advisable as far as I can see it. What can be done to stop Mr. Benson with his devastating program? Are farmers going to be the victims of another period of depression?

With sincere wishes to you and your staff. Sincerely,

THEODORE CARLSON.

"PARITY FOR THE FARMER" SAY TOWN BUSINESSMEN

Since the State of North Dakota is a major agricultural State, the businessmen of this city feel that it is most imperative that we work side by side with all those who are attempting to maintain a farm program which will enrich and develop the agricultural activities wherever they are a major industry or source of livelihood. In view of the above conclusion, the Halliday mer-chants have adopted the following resolution:

"Resolved, That we go on record condemning any effort on the part of any Congressman, the Department of Agriculture, or any agency for attempting to disrupt the present farm stabilization program, affecting all basic

farm commodities.

"We further resolve that Congress shall not only maintain 90 percent of parity, but shall endeavor to establish 100 percent of parity for basic farm commodities. We do not favor any tendency toward flexibility of price support, but urge Congress to maintain a production control program which is essential in order to have stabilized price support.

We further resolve to condemn any form of prosperity based on war and bloodshed, but favor a genuinely sane and sound economic program, particularly for the producer, which shall be based on industry, security, and individual initiative.

"We further urge all business groups in other cities of this State as well as those of other agricultural States to go on record favoring similar resolutions."

Maurice Wasem, L. La Pierre, A. L.
Gerhart, Wm. H. Klend, Walter Weisinburger, Edwin Rewisgaard, M. C.
Porter, Frank Hoffort, Fred Keller,
Oswald Koehler, Martin L. Bergstadt, Margaret Goetz, Gordin Perkins, Edward Messmer, Pauline Wolf, H. Ainderson, Adam Reichert, Lambert Gerhart, Elsie C. Swenson, Richard Weisenburger, Gertrude Robers, Mrs. Daniel Mann, Frankie Fiegal, O. D. Weydante, Irene Walth, M. J. Howard, Frank Martin, Jr., V. L. Smith, Lloyd Scelle, Geo. Boeckel, Simon W. Bouch, Irwin Cuhau, all of Halliday, N. Dak.

PRICE SUPPORTS, ETC.-RESOLU-TIONS OF NORTH DAKOTA STOCKMEN'S ASSOCIATION, DICK-INSON, N. DAK.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed the RECORD, resolutions adopted by the North Dakota Stockmen's Association, at Dickinson, N. Dak., relating to price supports, and so forth.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED AT THE 25TH ANNUAL CONVENTION OF THE NORTH DAKOTA STOCK-MEN'S ASSOCIATION, DICKINSON, N. DAK., JUNE 7-8-9, 1954

RESOLUTION 1

Price supports

Whereas in the present depressed market conditions, occasional suggestions have come forth that the cattlemen should have price supports on their cattle; and

Whereas the North Dakota Stockmen's Association has traditionally opposed government handouts and favored a free market without support or ceiling controls on cattle: Now, therefore, be it

Resolved, That we oppose any form of direct Government support for our product.

RESOLUTION 2

Government beef buying

Government beef buying program, which has recently come to a close after purchases of about 250 million pounds of beef, representing about 865,000 of the lower grade beef animals, has been of great value to the cattle industry in bolstering sagging cattle prices.

This program, suggested early in 1953 by the American National Cattlemen's Association, is not at the expense of the taxpayer because purchases were made (1) with section 32 funds derived from import duties on cattle, beef, and beef products, and (2) with a small percentage of foreign aid funds already voted.

Most of the purchases under this program have been for school lunches and the remainder for foreign aid. We believe the public benefits by the school lunch program and that it is better to send beef than dollars to needy foreign nations.

In conducting the program this year, the Department of Agriculture should plan purchases to coincide with anticipated major runs of cows and grass beef to market, and should avoid contracting for future delivery at a date so distant as to encourage speculation on the markets. Also the Department of Agriculture should arrange any future beef buying program to begin if the necessity presents itself, and to buy a larger volume over a longer period and utilize available mutual aid funds.

RESOLUTION 3

Economy in government

We have seen government spending reach such astronomical heights that we have felt it our duty early to call attention to the need for economy. We feel we should reiterate our stand in this regard even though some economics have been effected. There is need for further retrenchment in spending. As an example of less government and more efficient government, we cite and commend the action of Secretary of Agriculture Benson in reorganizing his Department. We urge Congress to scrutinize closely each appropriation for our Federal agencies. We urge Congress also to eliminate needless agencies and duplicating services.

RESOLUTION 4 Beet education

Whereas there is a well-recognized need for more intensive advertising of beef and a broader public relations campaign for more intensive research in the field of marketing and for the development of new uses for beef and its byproduct, we do therefore endorse the beef promotion campaign which has been instituted and do commend for their active work in this campaign the American National Cattlemen's Association, the National Livestock & Meat Board, the packing indus-tries, restaurants and cafes, the Cow-Belles,

both national and local, and most especially our own Don Short and his committee.

RESOLUTION 5

Constitutional amendment

Whereas we believe that the proposed graduated land tax opens the door to discriminatory legislation: Now, therefore, be it

Resolved, That we oppose this initiated measure as being un-American in principle.

RESOLUTION ^

Calfhood vaccination

Resolved, That we continue our support of a calfhood vaccination program on a voluntary basis for the control and eradication of brucellosis.

RESOLUTION 7

World trade

Resolved, That we oppose any favorable action on the part of Congress relative to the report of the Randall Committee.

RESOLUTION 8 Vic Christensen

Our beloved president, Vic Christensen, passed away last fall. We cannot fully realize the enormity of the loss that Mrs. Christensen and the family have suffered, but we as members of this association, which he helped form and so ably guided through its 25 years of existence express to his wife and family our sincere sorrow at this time.

RESOLUTION 9

Departed members

Since we last met we have lost through death a number of our other members. miss the friendship and council of these men, and we as members of the North Dakota Stockmen's Association wish hereby to express our heartfelt sorrow and our deepest sympathy to their families in the loss of these our friends.

RESOLUTION 10

Thanks

The city of Dickinson has afforded us a fine and successful convention. Therefore we wish sincerely to thank those organizations and individuals who have provided us with facilities, refreshments, and entertainment.

We wish also to thank our convention speakers, the several committees, our president, our officers, generally our secretary and his staff for their work in our behalf.

USE OF SURPLUS FOOD FOR OVER-SEAS AID-TELEGRAM

Mr. WILEY. Mr. President, I present a telegram which I was glad to receive from Mrs. M. B. Hodge, on behalf of the National Council of American Baptist Women, Green Lake, Wis., who vigorously endorses our sound program for overseas relief aid through encouraging the work of voluntary agencies.

I ask unanimous consent that the telegram be printed in the RECORD, and appropriately referred.

There being no objection, the telegram was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

GREEN LAKE, WIS., July 16, 1954. Hon. ALEXANDER WILEY,

Senate Office Building,

Washington, D. C .: National Council American Baptist Women in session Green Lake, Wis., wholeheartedly endorses action to release surplus food to voluntary agencies for shipment overseas. We pledge effort to increase funds for distribution abroad. Urge you to continue to use every device to make United States food resources available to fight world hunger.

Mrs. M. B. Hodge,

President.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CORDON, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 8038. A bill to authorize the convey-ance to the Hot Springs School District and to Garland County, Ark., for school and for other public purposes, of certain land originally donated to the United States and situated in Hot Springs National Park, Ark., and for other purposes (Rept. No. 1939).

By Mr. LANGER, from the Committee on

the Judiciary, without amendment: S. 3104. A bill for the relief of Theodore J.

Harris (Rept. No. 1948);

S. 3105. A bill for the relief of Stanley Rydzon and Alexander F. Anderson (Rept. No. 1949):

S. 3326. A bill for the relief of P. H. Mc-Connell (Rept. No. 1950);

H. R. 3516. A bill for the relief of Anna K. McQuilkin (Rept. No. 1951); and

H. R. 5986. A bill for the relief of Harold E. Wahlberg (Rept. No. 1952).

By Mr. LANGER, from the Committee on the Judiciary, with an amendment:

S. 17. A bill to provide general rules of practice and procedure before Federal agen-cies (Rept. No. 1953);

S. 1692. A bill for the relief of Francis C. Pollard (Rept. No. 1954);

S. 3076. A bill to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior (Rept. No. 1955);

S. 3517. A bill to amend section 144 of title 28 of the United States Code (Rept. No. 1956);

H. R. 2024. A bill for the relief of Frank L. Peyton (Rept. No. 1957);

H. R. 3008. A bill for the relief of Esther Smith (Rept. No. 1958);

H. R. 3951. A bill for the relief of Frank G. Koch (Rept. No. 1959); and H. R. 5093. A bill for the relief of Mrs.

Dorothy J. Williams, widow of Melvin Ed-ward Williams (Rept. No. 1960).

By Mr. LANGER, from the Committee on the Judiciary, with amendments: S. 47. A bill for the relief of Joseph Andrew

Wright (Rept. No. 1961); S. 1022. A bill for the relief of L. R.

Swarthout and the legal guardian of Harold Swarthout (Rept. No. 1962);

S. 3304. A bill conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Cuban-American Sugar Co., against the United States (Rept. No. 1963);

H. R. 4175. A bill for the relief of Charles R. Logan (Rept. No. 1964); and

H. R. 5460. A bill for the relief of Chancy C. Newsom (Rept. No. 1965).

By Mr. WELKER, from the Committee on the Judiciary, with amendments:

H. R. 2163. A bill for the relief of Lillian Schlossberg (Rept. No. 1940).

By Mr. McCARTHY, from the Committee on Government Operations, without amendment:

H. R. 179. A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended (Rept. No. 1944); and

H. R. 8501. A bill to provide for the conveyance of certain land in Sumter County, Ga., to the Americus and Sumter County Chamber of Commerce (Rept. No. 1945).

By Mr. McCARTHY, from the Committee on Government Operations, with an amendment:

H. R. 8020. A bill authorizing the transfer of certain property of the United States Government (in Klamath County, Oreg.) to the State of Oregon (Rept. No. 1946). By Mr. MUNDT, from the Committee on

Government Operations, with amendments: H. R. 8753. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to establish and operate motor vehicle pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct the administrator to report the unauthorized use of Government motor vehicles, and to authorize the United States Civil Service Commission to regulate operators of Government-owned motor vehicles, and for other purposes (Rept. No. 1941).

By Mr. ERVIN, from the Committee on Government Operations, without amend-

ment:

S. 3709. A bill to provide for the convey ance of certain real property to the town of Beaufort, N. C. (Rept. No. 1942); and

H. R. 6658. A bill to provide for the conveyance of certain lands by the United States to the county of Cumberland, State of North Carolina, without remuneration (Rept. No. 1943).

AMENDMENT OF SECTION 413 OF THE FOREIGN SERVICE ACT OF 1946—REPORT OF A COMMITTEE

Mr. WILEY. Mr. President, from the Committee on Foreign Relations, I report an original bill amending section 413 of the Foreign Service Act of 1946, and I submit a report (No. 1947) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be

placed on the calendar.

The bill (S. 3778) amending section 413 of the Foreign Service Act of 1946, reported by Mr. WILEY from the Committee on Foreign Relations, was read twice by its title and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POTTER:

S. 3776. A bill to extend the authority of American Battle Monuments Commission to all areas in which the Armed Forces of the United States have conducted operations since April 6, 1917, and for other purposes; to the Committee on Armed Services.

By Mr. CARLSON:

S. 3777. A bill to provide for the purchase of bonds to cover postmasters, officers, and employees of the Post Office Department, contractors with the Post Office Department, mail clerks of the Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WILEY:

S. 3778. A bill amending section 413 of the Foreign Service Act of 1946; placed on the calendar.

(See the remarks of Mr. WILEY when he reported the above bill from the Committee on Foreign Relations, which appear under a separate heading.)
By Mr. LEHMAN:

S. 3779. A bill for the relief of Moosa Ebrahimian; to the Committee on the Judiciary.

By Mr. SALTONSTALL (by request): 780. A bill to amend the National S. 3780. A Service Life Insurance Act of 1940, as amended, to assure payment of the full face value of national service life insurance policies on which payments were commenced prior to September 30, 1944; to the Committee on Finance.

AVAILABILITY OF CERTAIN FUNDS TO COMMITTEE ON GOVERNMENT **OPERATIONS**

Mr. MUNDT submitted the following resolution (S. Res. 288), which was referred to the Committee on Government Operations:

Whereas the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations has incurred extraordinary expenses as a result of the recent inquiry conducted by a special subcommittee of such permanent subcommittee with respect to certain charges made by the Secretary of the Army suggesting improper influence on the part of the chairman of such permanent subcommittee, and certain members of the staff of such subcommittee, and certain countercharges made by said chairman suggesting coercion on the part of said Secretary, and certain other personnel of the Department of the Army, to halt the work of such permanent subcommittee; and

Whereas such extraordinary expenses as a result of such hearing make necessary additional funds in order that the Senate Permanent Subcommittee on Investigations will be able to carry out its functions; and

Whereas it was unanimously agreed by such special subcommittee, headed by Senator MUNDT, that it would ask the Senate to reimburse the Committee on Government Operations for the exact amount of the expenditures necessitated by its special investigation growing out of such charges and countercharges rather than to request in advance a separate fund to meet the estimated costs of the investigation: Now, therefore, be it

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is hereby authorized to expend from the contingent fund of the Senate \$24,605.67, in addition to the amount, and for the same purposes and during the same period, specified in Senate Resolution 189, 83d Congress, agreed to February 2,

AGRICULTURAL ACT OF 1954-AMENDMENT

Mr. ANDERSON submitted an amendment intended to be proposed by him to the bill (S. 3052) to encourage a stable, prosperous, and free agriculture and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLU-TION REFERRED

The following bills and joint resolution were severally read twice by their titles, and referred as indicated:

H. R. 1843. An act to increase the retired pay of certain members of the former Lighthouse Service; and

H. R. 8898. An act to amend section 401 (e) (2) of the Civil Aeronautics Act, as amended: to the Committee on Interstate and Foreign Commerce.

H. R. 4118. An act to authorize the preparation of rolls of persons of Indian blood whose ancestors were members of certain tribes or bands in the State of Oregon, and to provide for per capita distribution of funds arising from certain judgments in favor of such tribes or bands; H. R. 5832. An act to authorize the Com-missioner of Public Lands of the Territory

of Hawaii to sell public lands to certain lessees, permittees, and others;

H. R. 6814. An act to facilitate the acquisition of non-Federal land within areas of the National Park System, and for other purposes;

H. R. 7568. An act to authorize and direct the Farm Loan Board of Hawaii to convey certain land and to ratify and confirm cer-tain acts of said Farm Loan Board;

H. R. 7912. An act to abolish the Old Kasaan National Monument, Alaska, and for

other purposes; and

H. R. 8205. An act to authorize the conveyance by the Secretary of the Interior to Virginia Electric & Power Co., of a perpetual easement of right-of-way for electric transmission line purposes across lands of the Richmond National Battlefield Park, Va., such easement to be granted in exchange for, and in consideration of, the conveyance for park purposes of approximately 6 acres of land adjoining the park; to the Committee on Interior and Insular Affairs.

H. R. 5796. An act to amend the Bank-ruptcy Act to make tax liens of States and their subdivisions valid against trustees in

bankruptcy; and

H. J. Res. 359. Joint resolution designating the period from October 11 to October 16 inclusive, 1954, as National Nurse Week; to the Committee on the Judiciary.

H. R. 6223. An act to amend section 87 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 47), to relieve the States from accountability and pecuniary hability for property lost, damaged, or destroyed except in cases where it shall appear that the loss, damage, or destruction of the property was due to carelessness or negli-gence or could have been avoided by the exercise of reasonable care;

H. R. 7734. An act to amend section 47 of the National Defense Act concerning the requirement for bond covering certain property issued by the United States for use by Re-serve Officers' Training Corps units main-tained at educational institutions; and

H. R. 9302. An act to permit retired members of the uniformed services to revoke elections made under the Uniformed Services Contingency Option Act of 1953 in certain cases where the elections were made because of mathematical errors or misinformation; to the Committee on Armed Services.

H.R. 6393. An act granting the consent and approval of Congress to an interstate forest fire protection compact; to the Committee on Agriculture and Forestry.

NOTICE OF HEARING ON OMNIBUS FLOOD CONTROL-RIVERS AND HARBORS BILL, H. R. 9859

Mr. BUSH. Mr. President, on behalf of the Subcommittee on Flood Control-Rivers and Harbors of the Committee on Public Works, I desire to give notice that public hearings have been scheduled for Thursday, July 22, 1954, at 9:30 a. m. in room 412, Senate Office Building, on the omnibus flood control-rivers and harbors bill, H. R. 9859. We expect to take up those additional projects which have been submitted to Congress subsequent to the conclusion of the hearings by the House Committee on Public Works.

"WRIT IN WATER"

Mr. BENNETT. Mr. President, the history of the arid West has been, and always will be, literally "writ in water."

The first Mormon pioneers learned this the morning after their arrival in the valley of the Great Salt Lake—107 years ago this week. Only when they had softened the sun-baked soil with the waters of a little mountain creek could they plow and plant their precious seeds, and only by repeating this process could they mature their crop.

This was the first of many lessons in the vital value of water, from which our whole pattern of irrigation has developed. They not only learned to control and share the precious water in the fertile valleys, but how to catch and save it on the mountainsides, to which nature delivered it as snow.

In my State of Utah the availability of water is everywhere controlling. It dictated the location of our early settlements and still controls their size. sets the pattern of our economy in industry as well as agriculture. It influences our social structure and our education,

and will do for all time.

We in the intermountain West want to share in the new growth and gains that are envisioned for America. We think we have great still-dormant values to contribute to it. But the key to this is still more water, which we can no longer get without Federal help. We did not need help in the beginning. The men of each community joined to make best use of the local water sources. We have appreciated the Federal help we have had with the intermediate streams, but we have come to the end of these now, and the time has arrived when we must draw on the water bank of last recourse-the Colorado River.

This is our 107th anniversary, and, looking back to the empty desert, we are proud. Looking forward to another century, we see a population doubled. The key then and tomorrow was and will be water. It will take most of the next century to develop the full potential of our agreed-to share of the Colorado.

We hope that Congress by its authorization of the upper Colorado development will write in water an assurance that our next century will be a prosperous one.

APOLOGIES TO SENATORS BRIDGES AND WELKER FOR PEARSON TELE-CAST

Mr. GOLDWATER. Mr. President, on June 20, over television station WTOP-TV, Drew Pearson made an unwarranted, uncalled-for, and cowardly attack, filled with untruths, against two outstanding Members of the United States Senate, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Idaho [Mr. WELKER].

The sponsors of the Pearson telecast. the Capital Transit Co., recognizing the gross errors in the telecast, have written letters to the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Idaho [Mr. Welker] apologizing for the telecast.

I ask unanimous consent that both letters be incorporated in the RECORD at

There being no objection, the letters were ordered to be printed in the RECORD. as follows:

Capital Transit Co., Washington, D. C., July 12, 1954. Hon. STYLES BRIDGES,

Senate Office Building,

Washington, D. C.

DEAR SENATOR BRIDGES: On behalf of Capital Transit Co., I want you to know how much we regret any embarrassment that may have been caused you by the statements which were made about you in the telecast

by Mr. Drew Pearson over station WTOP-TV, Washington, D. C., on June 20, 1954.

As you know, Capital Transit Co. sponsored a series of weekly telecasts by Mr. Pear-However, I am sure you realize that Capital Transit Co. had no control over what Mr. Pearson said in his telecasts. In fact, at the conclusion of each telecast a statement was made that, "The views expressed were those of Mr. Pearson and not necessarily those of Capital Transit or this station.'

Being fully aware of your long and distinguished record of public service both in the United States Senate and in your own State, we do not believe that you would be a party to a plan to intentionally injure one of your colleagues. If we had had an opportunity to review Mr. Pearson's script before he went on the air, we would have demanded that the references to you be deleted.

We do not intend to renew our contract with Mr. Pearson.

Again, we want you to know that we regret exceedingly that Mr. Pearson referred to you in his telecast of June 20, and to assure you unequivocally that Mr. Pearson's statements in the aforementioned telecast in no way reflected the views of Capital Transit Co.

With kindest personal regards, I am,

Yours sincerely,

J. A. B. BROADWATER, President.

CAPITAL TRANSIT CO., Washington, D. C., July 12, 1954. Hon. HERMAN WELKER,

Senate Office Building,

Washington, D. C. DEAR SENATOR WELKER: On behalf of Capital Transit Co., I want you to know how much we regret any embarrassment that may have been caused you by the statements which were made about you in the telecast by Mr.

Drew Pearson over Station WTOP-TV, Washington, D. C., on June 20, 1954.

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With kindest personal regards, I am,

Yours sincerely, J. A. B. Broadwater,

President.

REHABILITATION OF THE HANDI-CAPPED-A MAJOR ACHIEVEMENT OF 83D CONGRESS

Mr. WILEY. Mr. President, one of the great achievements of the 83d Congress is the adoption of the conference report on the bill which provides for a greatly expanded program of rehabilitation for the physically handicapped.

I believe that all officials at Federal, State, and local levels who contributed

to the success of this legislation, and the American Federation of the Physically Handicapped, which helped spearhead the public drive for it, as well as other sources, are to be congratulated on this outstanding accomplishment.

I send to the desk the text of an article which had been written by Dr. Howard A. Rusk, as carried in the New York Times of July 11, following the passage of the Senate version. Dr. Rusk pointed up the welcome degree of unanimity which had been recorded on this legislation.

I ask unanimous consent that the article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

BILL TO AID THE HANDICAPPED STIRS ONLY POSITIVE DISSENT-CRITICISM OF SENATE MEASURE AS NOT GIVING ENOUGH HELP PRE-CEDES UNANIMOUS VOTE

(By Howard A. Rusk, M. D.)

A long cherished dream of those concerned with rehabilitation services for the handi-capped approached fruition last week when both the Senate and the House unanimously passed legislation greatly increasing scope of the Nation's program in this field.

This action represents the second of two major steps requested by President Eisenhower in his message to Congress in January.

The first, which was passed by the Congress and is now awaiting the President's signature, was a section of the Hill-Burton hospital-construction legislation. This authorized an expenditure of \$10 million a year for the next 5 years for grants to States, counties, municipalities, and nonprofit agencies for facilities for rehabilitation services.

Although a number of amendments adopted by both the House and the Senate must now be resolved in conference, the major provisions of the legislation passed

last week are:

Broadening the scope of the current Federal-State vocational rehabilitation program under which 60,000 disabled persons are rehabilitated each year, under the new act, this number will be expanded to 70,000 next year and 100,000 in 1956, and increased subsequently until a goal of 200,000 is reached in 1959.

Authorizing the Department of Health, Education, and Welfare to conduct a program of grants, stipends, and fellowships to increase the supply of critically needed physicians, physical therapists, occupational therapists, counselors, and other specialized personnel required for rehabilitation and for research.

ONLY AREA OF DISAGREEMENT

This was the only phase of the legislation on which there was disagreement, and even this was on the positive side. Senator HER-BERT H. LEHMAN, Democrat, of New York, and others declared emphatically that in view of the critical personnel needs the appropriation of \$1 million for this year for training was unrealistically small.

Increasing State and local responsibility for administering the Federal-State vocational rehabilitation program by making possible greater flexibility, less Federal con-trol, and more responsiveness to the specific needs of the States in meeting the problems of their disabled citizens.

This will be accomplished by removing certain limitations and by requiring the States to establish their own standards rather than adhere to those set up by the Federal Government.

Providing an improved system of Federal participation in the financing of the Federal-State vocational rehabilitation program

under which the States may ultimately assume a larger proportional share of the financial costs. Both the House and Senate versions, however, insure that there will be no reduction of any kind of Federal support below the present level of operation in any State.

The bills, introduced in the upper Chamber by Senator H. ALEXANDER SMITH, Republican, of New Jersey, and in the House by Representative SAMUEL K. McConnell, Jr., Republican, of Pennsylvania, will increase the Federal investment in rehabilitation in the next year from the current \$23 million to \$30 million.

As Senator William A. Purtell, Republican, of Connecticut, told the Senate: "The committee believes this bill would accomplish two things that are essential in an expansion of vocational rehabilitation services for the disabled. First, the bill provides State agencies with a maximum of responsibility and operational freedom to carry out that responsibility. Second, it provides express authority to the Department of Health, Education, and Welfare to perform the Federal functions which are clearly necessary for the success of any major undertaking in this Federal-State partnership."

INVESTIGATIONS ALSO PROVIDED

Other major features of the new legislation are provisions that:

The Department shall make studies, investigations, demonstrations, and reports on various aspects of the problems of disabled

various aspects of the problems of disabled people and their needs. The Secretary is authorized to render technical assistance to the States in the conduct

of their rehabilitation programs.

The Federal Government shall participate in the establishment of sheltered workshops under public and nonprofit auspices where severely disabled persons are able to work

for pay.

The Senate version also provides for the establishment of a National Advisory Council on Vocational Rehabilitation to review applications for special project grants of importance in rehabilitation and to make recommendations to the Secretary on such

Both the social and economic wisdom of this new legislation expanding rehabilitation services for the handicapped has been repeatedly demonstrated. It is estimated, for example, that from savings in public welfare relief costs and from increased tax revenues by the rehabilitation of increased numbers of currently nonproductive persons into taxpaying citizens, the Federal and State Governments will receive back \$4 for each dollar invested in this new program. The social values which will accrue are immeasurable.

ADMINISTRATORS CONFIDENT

To increase the number of handicapped persons rehabilitated under the Federal-State vocational rehabilitation program from the current 60,000 a year to 200,000 will not be an easy job even under the new legislation. It will require the development of new rehabilitation centers and services and a greatly accelerated program of training professional rehabilitation personnel. Those responsible for the administration of the program, however, believe that this can be done.

There are two factors of great significance in the unanimous action of the House and the Senate last week. The first is that for the first time in our Nation's history we are approaching the problem of disability boldly by planning by 1959 to rehabilitate each year 200,000 of the 250,000 persons who are permanently disabled annually.

The second is that rather than approaching

The second is that rather than approaching the problem in a piecemeal fashion, Congress, at the urgent request of the President, has provided a balanced program aimed at increasing rehabilitation facilities, training more personnel, discovering new knowledge and techniques through research and demonstrate the property of the propert

stration projects, and establishing adequate and sound financing.

With these tools there is reason to be confident that the goal will be achieved and the words "new hope for the handicapped" will become a reality.

PURE MILK ASSOCIATION RECOM-MENDS 90 PERCENT PARITY

Mr. WILEY. Mr. President, I was pleased to receive from the distinguished president of the Pure Milk Producers Cooperative, representing 18,000 dairy families in America's dairyland, a message endorsing the Senate Agriculture Committee's version of farm parity maintenance. The telegram came from Bill Groves, one of the great dairy leaders of my State and of the Nation, a personal friend, and a fine American.

I ask unanimous consent that it be printed at this point in the body of the Record as a sound indication of grassroots thinking in the heart of America.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

FOND DU LAC, WIS., July 16, 1954. Hon. ALEXANDER WILEY,

Member of Congress,

Senate Office Building:
The State Board of Pure Milk Products
Cooperative has adopted a resolution strongly
endorsing Senate bill No. 3052. This bill
supports dairy prices at 85 percent of parity.
The board which represents 18,000 dairy fam-

ilies urges you to support this measure.

WM. F. GROVES,

President, Pure Milk Products
Cooperative.

USE OF SURPLUS FOODS TO HELP EUROPEAN FLOOD VICTIMS

Mr. HUMPHREY. Mr. President, I rise to urge the administration to act speedily and hastily in order to alleviate the suffering now taking place in central Europe, particularly in Bavaria and Austria, as a result of the severe floods that have hit that area. Hundreds of thousands of Europeans—men, women, and children—are today suffering from hunger, poverty, and dislocation as a result of these floods. Newspaper reports indicate that the wheat crop is lost, cattle have been destroyed, and homes are gone.

This presents us with a challenge. Large stocks of surplus crops are now in storage in this country. I suggest that we share our surplus with these underprivileged peoples. Congress has already expressed by legislation its desire that the Government of the United States do just this with our surplus food and fiber. This is written into law—it remains only for the administration to act. I call, therefore, upon the administration to act immediately to ship butter, dried milk, wheat, beans, and other essentials of living to help those who suffer.

It is my conviction that it is our religious duty to do this, and it is also in our national self-interest.

I again say that, as a matter of justice and common friendship, and as an expression of generosity on the part of the American people, the shipment of surplus supplies, particularly into the areas of Austria, where the people have demonstrated their desire for freedom, and into the areas of Bavaria, where floodwaters have demolished many communities, would be a most worthy project. Certainly it deserves the immediate attention of the responsible officials of the administration.

CIVIL SERVICE, PATRONAGE AND THE EISENHOWER ADMINISTRA-TION

Mr. NEELY. Mr. President, the Washington Post and Times Herald, under the ownership of the eminent Mr. Eugene Meyer, and the management of his distinguished son-in-law, Mr. Philip Graham, is one of the few great, influential and praiseworthy newspapers of the Nation. To my regret, it vigorously and effectually supported General Eisenhower's candidacy for President of the United States. Until it made that unfortunate error, it could have justifiably sung after the manner of the Sheriff of Nottingham in Robin Hood—

I never yet have made one mistake, I'd like to—for variety's sake.

But, alas, that degree of absolute perfection has been irretrievably lost. However, the Post, which recently became the Post and Times Herald, still is and will, in my opinion, long continue to be one of the country's outstanding dailies.

Yesterday it carried a timely and important article by Mr. Jerry Kluttz entitled "Drive for Patronage Seeks Added Jobs," which should be brought to the attention of all patriotic men and women who believe in decency and integrity in government. As a service to the public in general and to the Federal employees in particular, I purpose to read this article to the Senate, from beginning to end, in order that it may appear in the body of the Congressional Record, and thus obtain wider publicity. It is as follows:

The Eisenhower administration is making a determined effort to assume partisan political control over many thousands of Federal jobs both in and out of the civil-service system.

The drive for patronage is being directed from the White House.

The Republican National Committee set up an elaborate system here to "clear" people down to the precinct level for both Federal appointments and promotions.

Army, Navy, Air Force, Foreign Operations and bipartisan agencies that have been more or less insulated from political patronage demands in the past are not excluded from the present drive for jobs.

It is routine—and expected—for the administration in power to exercise political control over many jobs outside the civil service and other merit systems such as those operated by TVA, FBI, etc.

But the current drive also includes some jobs under the civil-service system, jobs which are supposed to be free from partisan political considerations and to be filled on the basis of merit.

Outside the Post Office Department, where politics has been considered for years in appointments and promotions to many of its jobs, civil service and otherwise, the civil-service system in general has been relatively free of partisan political influences.

A high-ranking official says the present Civil Service Commission "seems to have closed its eyes" to the growing influence of partisan political considerations on appointments to some of the jobs under its merit system.

The patronage drive, now well under way, has helped to silence demands on the Eisen hower administration for jobs from GOP Members of Congress and from the Republican National Committee.

Soon after the Eisenhower administration was swept into power, the Republican Na-cional Committee, as was expected, at-tempted to dictate appointments to many Federal jobs.

At first, the committee had very little success. Its officials were told repeatedly that this or that job in question was under civil service or the person in it had either permanent civil-service status or veterans' preference rights.

Gradually, however, a few of the agencies began to clear appointments, including those for some civil-service jobs, with the committee. This was done through a top-level appointee in the agency whose job is to check the political angle on appointments

and promotions.

A notable example of political operation along this line is Harold Stassen's Foreign Operations Agency, where even stenogra-phers and clerks have been required to produce the proper political clearance. No appointment or promotion can be finally approved in the agency unless it has the approval of the lady there who is Stassen's liaison with the administration's political arm.

Other agencies, however, continued make appointments and promotions within the civil-service process and they did not clear them in advance with the Republican

National Committee.

Somewhere along the line came a recent showdown at the White House and the decision there was apparently cast with the

patronage forces.

In recent weeks, agency heads have re-ceived "Confidential: Not for publication" letters on White House stationery, in which they were directed to clear certain of their jobs with the committee before making appointments to them.

Strangely, the letters were not signed.
Only a small supply was printed. Reportedly, they were delivered by hand to some agency heads for their information only. Frecautions were taken to keep copies from

the public eye. However, it is reported on excellent authority that many agency heads have been instructed either by letter or orally to clear appointments to these jobs with the Repub-

lican National Committee.

Jobs in grade 14 (\$9,600 starting salary) and upward irrespective of whether they are in or out of the civil-service system;

So-called 303-jobs, positions under civil service but which the CSC cannot fill with sufficient qualified eligibles. In such cases CSC authorizes the agencies to hire people on the open market for them. The agencies, however, are supposed to require appointees to meet minimum CS standards for the jobs, to follow veterans' preference, etc.

Jobs, such as attorneys and others, outside

the civil service system.

Even though the White House directive on jobs was unsigned, officials assume it came from the office of Sherman Adams, the assistant to the President. Adams' assistant on patronage matters is Charles F. Willis, Jr., and he is the contact man with the National Committee and most agency officials.

Despite the directive, several agency heads whose jobs are under civil service are said not to have cooperated to the point desired

by the patronage forces.

One top-rank official, an Eisenhower ap-pointee, is said to have threatened to resign with a blast at the patronage drive.

Meantime CSC, the agency charged with strengthening the merit system, is compiling details on many thousands of non-civil-service jobs which will be turned over to the patronage forces.

Mr. President, the foregoing supplies highly convincing but wholly unnecessary, additional evidence that the great Eisenhower crusade for political purity, which began as a fraudulent farce, has become a notorious fizzle. The great crusader, as he boarded the train in Denver for the Chicago convention which nominated him, said:

I'm going to roar clear across the country for a clean, decent operation. The American people deserve it.

Mr. President, please let me appeal to you to roar across the country, or at least from the White House to the nearest golf course, for "a clean, decent operation" for all the Government's meritorious civil service employees. They deserve it. Please protect these faithful public servants against the devastating White House-directed patronage drive to which the foregoing article from the Washington Post and Times Herald refers, and thus restore some of the former confidence in your administration which long since vanished away.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. CORDON, from the Committee on Interior and Insular Affairs:

Clarence A. Davis, of Nebraska, to be Under Secretary of the Interior, vice Ralph A. Tudor, resigned.

The VICE PRESIDENT. If there be no further reports of committees, the secretary will state the nominations on the Executive Calendar.

UNITED STATES DISTRICT JUDGES

The Chief Clerk read the nomination of Emett C. Choate to be United States district judge for the southern district

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Fred M. Taylor to be United States district judge for the district of Idaho.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

NOMINATIONS PASSED OVER

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the next two nominations on the Executive Calendar, that of Herbert S. Boreman, to be United States district judge for the northern district of West Virginia, and that of Joseph E. Hines to be United States attorney for the western district of South Carolina be passed over.

Mr. KNOWLAND. Mr. President, I have no objection to passing those nominations over today. I hope we may consider them at a very early date.

Mr. JOHNSON of Texas. I may say that I know of no specific objection to either of these nominees. However, this is the first time their names have appeared on the Executive Calendar, and we have been unable to make the required clearance. As soon as I am able to do it, I shall notify the distinguished majority leader. I am sure we will be able to take prompt action.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the President be immediately notified of the nominations confirmed today.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the nominations confirmed today.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ADDITIONAL OFFICIALS IN TREAS-URY DEPARTMENT

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3605) to abolish the offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under Secretary for Monetary Affairs and an additional Assistant Secretary in the Treasury Department, which were, on page 1, line 4, strike out "(39" and insert "(31", and on page 3, line 3, strike out "234." and insert "SEC. 234."

Mr. KNOWLAND. Mr. President, the bill, S. 3605, passed the Senate some time ago. Amendments were made to it in the House, which are purely technical in character. The matter has been cleared with the minority, and, at the request of the chairman of the Senate Finance Committee [Mr. MILLIKIN], I move that the Senate concur in the House amendments.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

SALE OF CERTAIN WAR-BUILT PAS-SENGER-CARGO VESSELS - CON-FERENCE REPORT

Mr. BUTLER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 534) to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes. I ask unanimous consent for the present consideration of the report.

Mr. KNOWLAND. Mr. President, wonder if the Senator from Maryland will withhold his motion. I think we can make progress with the conference report if the minority and majority leaders have an opportunity to clear the matter. I think we can do it in a fairly short period of time.

Mr. BUTLER. I will say to the majority leader that I have already conferred with Members on the minority side, and the report is a unanimous report.

Mr. KNOWLAND. I understand that, but the acting minority leader has not

been informed-

The VICE PRESIDENT. Does the Senator from Maryland withdraw the report at this time?

Mr. BUTLER. Yes, Mr. President. Mr. MUNDT. Mr. President, I sug-

gest the absence of a quorum. The VICE PRESIDENT. The Secre-

tary will call the roll. The Chief Clerk proceeded to call the

roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. BUTLER. I object.

Mr. GORE. I do so at the request of the Senator from Delaware [Mr. WIL-LIAMS].

Mr. BUTLER. I withdraw the objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee. The Chair hears none. and it is so ordered.

THE PROBLEM OF THE JUNIOR SENATOR FROM WISCONSIN

Mr. FLANDERS. Mr. President, the objective of the junior Senator from Vermont in recent speeches and motions has been to end the harmful influence of the junior Senator from Wisconsin in the affairs of the Senate, the Nation, and the world. His activities have not always been harmful. He has done some useful work in his chosen field of hunting out Communists but this has been greatly overadvertised and overestimated. For evidence of this I would call the attention of the Senate to the series of articles which appeared last week in the Scripps-Howard newspapers under the byline of Frederick Woltman. The material which Mr. Woltman presents is factual and is taken from the record.

While my purpose is to end the harmful influence referred to, it is conceivable that the Senator might do this on his own account by promptly announcing a complete change of method and That opportunity has been ofpolicy. fered in a spirit of Christian charity. In the absence of such a public statement we must proceed to whatever means may best be devised for keeping him from continuing in the future the damage which he has done in the past.

Many times the junior Senator from Vermont has been asked, "Why do you raise these matters now? Why did you not raise them long ago instead of at the end of a crowded session of Congress?' The answer to that is that I have long been uneasy with regard to this matter, and it was the accumulation of uneasiness which led me to make my first speech on this subject on the floor of the Senate on March 9, as reported on page 2886 of the Congressional Record. From that time on, however, events and evidences have accumulated and particularly have been falling into patterns of a most disturbing sort. Perhaps a better way of explaining it is to say that the figure of the Senator has been fitting into a series of frames which I will now proceed to describe.

The first frame is that of the history of civilizations, and of our own civilization in particular, and leads to the reasonable speculation that ours has passed through its maturity and is approaching its end. Let me say at once that this is a personal opinion. I do not expect others to join in this thought with me unless they, too, have been studying the life history of civilizations in the works of such historians as Flinders Petrie, Oswald Spengler, and Arnold Toynbee. These authors arrange the facts of

history in different ways and give it different interpretations. All three, however, agree that civilizations are born, go through a period of youth, come to maturity, and then decline into an old age which ends in death or continuing decay.

In particular Arnold Toynbee expressed the conviction that all civilizations end in a time of troubles through which none has successfully passed. We seem to be in our time of troubles now. One of the aspects of the time of troubles of our country is that, willy nilly, our country exercises the leadership of the world during this period of crisis. It should so act that the world looks to it with confidence and support for leadership, which will, for the first time in human history, bring our civilization safely through. This is the frame. What picture shall we put within it?

We put within it a picture of confusion in leadership to which the Senator from Wisconsin has made a major contribution. The picture is that of the Senator's two assistants-Messrs. Cohn and Schine-in their fantastic and riotous gallimaufry through the capitals of the Western World. This picture is not a still; it can only be shown as a slapstick movie. One reputable American correspondent reported a slapping of one by the other in a Frankfort hotel corridor. His paper did not publish the dispatch but a German paper did. Another event was reported to be the jumping of their hotel bill in Paris, leaving the Embassy to pick up the check.

No one who has not been in contact with responsible citizens of Europe can imagine the disgust and dismay which the incidents of this expedition brought to our reputation and influence. This is the contribution of our Senator to world leadership.

The next frame to which I would direct the attention of the Senate is that which has been constructed out of my experience of repeated visits to Germany in the period between the two World Wars. In those visits I saw the growing power of communism which formed the basis of Hitler's rise to power. I saw the German people at various periods during that rise. Since my visits were business visits, I had an opportunity to talk to Germans on more intimate terms than would be the case of the casual traveler. Furthermore, since these visits were spaced at intervals of two or more years apart, they enabled me to see the social, political, and moral alteration of

the nation and its people far more clearly than would have been the case had I lived there continuously during the period and been conscious only of day-today events.

In the first place the excuse for Hitler's intervention was far greater than for that of our Senator. In Berlin in 1926 the Communists were rioting in the streets and were being dispersed by streams of water from the hoses of the fire departments. On a railroad journey from Düsseldorf to Berlin, as the train climbed out of the Ruhr Valley onto the plateau, we passed a prison which, as we blossomed forth with hands passed. clenched in the Communist salute. Germany was in infinitely more danger than we are, although our dangers are real.

Hitler exploited the issue of communism, and on it he rose to power. it became convenient, he allied himself with it. But ultimately he went far afield from communism. He set his nation against the Jews and brought them to unimaginable cruelties. He destroyed the free labor union. He set up his private police force and spy system. worked toward, and ultimately achieved for himself, the sole authority in government, in business, and in society in general. Curiously enough, his financial support came from wealthy businessmen, some of whom lived to regret the contributions they had made-while

others did not live at all.

Each of these features finds its parallel, though it must be admitted to a weaker degree, in the career of the junior Senator from Wisconsin. The most disturbing resemblance comes in his now little-remembered crashing the gate in Senator Baldwin's investigation of the Malmedy massacres. It will be remembered that at Malmedy, armed Nazi ruffians slew unarmed American prisoners. The junior Senator from Wisconsin seemed determined to prove that the unarmed American soldiers were the aggressors, and that the Nazi ruffians had been tortured by the buddies of these American soldiers into making a false confession. This is one of the most peculiar passages in all the history of congressional investigations. It does, however, fit in neatly with the other parallels between the amateurish Senator from Wisconsin and the accomplished and successful dictator of Germany.

The principal result of that investigation in the Senate was to play its part in driving from the Senate floor into the obscurity of a judicial post one of the most honorable and fine-spirited men who has ever graced this body. Ray Baldwin was too sensitive a soul to withstand the "Indian Charlie" tactics of the

Wisconsin Senator.

The parallelism with Hitler is strengthened by an analysis of my correspondence. It contains many thousands of letters supporting my efforts, and signed by people from all walks of life and from every religious faith. On the other hand, there are a significant number of letters which are unsigned, supporting the junior Senator from Wisconsin, and fanatically anti-Semitic in content.

Let us therefore place within this second frame a picture of the Senator as fuehrer, and that perhaps without con-

naturally going that way.

The third frame is one which I would bring to the particular attention of my Republican friends on this floor. Our party is 100 years old this year. Though it has had its ups and downs, we can look back on that 100 years with enthusiasm and inspiration. Whose picture shall we place in that frame?

Let my Republican associates go in Let us in imagisearch of that picture. nation set forth from the west front of the Capitol down through the Mall to where we can gaze at that splendid monument which commemorates the character and the services of our first President. As we pass that let us glance to the left across the lagoon toward the dome of Vermont marble under which stands the upright figure of the great Virginian, defender of freedom and the rights of man. Still continuing, we come to the white marble memorial and stand in reverence before the patient, noble figure of our first and greatest Republican President. Surely this picture must be set within this third frame.

But there was, and appropriately was, another picture there as well. That picture was the Eisenhower whom we nominated and elected to the Presidency of the United States 2 years ago. It, too, was a noble picture, and it aroused the rightful enthusiasm of millions of young voters and of independents. This is a picture on which my party can look with pride and which would continue to draw the support of the young and of the independent, whose votes are absolutely necessary to continue a Republican Congress and administration.

But what do we see? We see the bright lights of the television blot out that fair picture. It superimposes another figure and obliterates all else. The obliterating picture, known to millions of those who have followed the hearings in the caucus room, is that of the junior Senator from Wisconsin sitting at the table with his assistant, whose lips are glued to his ear, whispering, whispering, whispering.

May I say to my fellow Republicans that we have been on the way for 100 years. We have come at the end of this century to a parting of the ways. On the one hand, we move in the path and under the influence of the great Lincoln. If we turn the other way, we choose the leadership of the junior Senator from In the words of Joshua, who Wisconsin. led the children of Israel into the Promised Land, "Choose you this day whom you will serve."

What I have just said is political. It is impossible to avoid politics in this matter, and we might as well face that fact. But the root and essence of the problem far transcend its political aspects. It is at bottom and in its far reaches a matter of national ideals and of international influence and reputation.

The junior Senator from Wisconsin has rendered a not inconsiderable service to his country in alerting his fellow citizens to one part of the Communist danger-that of internal subversion. But his greatest service is in giving us the opportunity to appraise our national political morality in this year of our

scious intention on his part. He is just Lord 1954. For this opportunity we must ever be grateful.

The question raised is, indeed, greater than the personal issue. It concerns the spirit in which we approach our serious domestic problems. It concerns the national character which we display to the world in carrying out our fateful responsibilities in the world at large. We face them, in the words of Lincoln, "in the spirit which prized liberty as the heritage of all men, in all lands everywhere."

To put the appraisal of our moral assets into effect, I shall offer for the consideration of the Senate a resolution, which I have decided on as being preferable to a motion to discharge the Rules Committee from considering my earlier one, Senate Resolution 261. shall now read the new resolution:

Resolved, That the conduct of the Senator from Wisconsin, Mr. McCarthy, as chairman of the Senate Permanent Subcommittee on Investigations, is unbecoming a Member of the United States Senate, is contrary to senatorial traditions, and tends to bring the Senate into disrepute, and such conduct is hereby condemned.

In accordance with my public statement of yesterday, I shall send the resolution to the desk on July 30 as a privileged matter and move its adoption at that time without reference to committee.

Mr. President, at this point I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks the series of articles by Frederick Woltman to which I referred in the first paragraph of my statement.

There being no objection, the articles were ordered to be printed in the REC-ORD, as follows:

[From the Washington Daily News of July 12, 1954]

WHO IS FRED WOLTMAN?

Fred Woltman, author of the story which starts on page 1 today, is often called Freddy the Fink by the Daily Worker, Communist newspaper-but he doesn't mind.

He is what soft-brained liberals call a "Red baiter." Matter of fact, he is the premier "Red baiter" among American newspaper reporters.

Frederick Woltman joined the staff of the New York Telegram (now the World-Telegram and Sun) in 1929. For most of those years since, his articles also have been published in the Washington Daily News and in other Scripps-Howard newspapers.

HE ANTEDATES JOE

He started exposing Communists and Communist fronts 16 years ago—in 1938—when young Joe McCarthy was practicing law in Shawano County, Wis., years before unmask-ing Reds became his prime political pursuit.

Fred wrote news articles exposing the twisting Communist Party line, the "Letterhead" organizations the Communists used as fronts, their dupes and fellow travelers, the Communist infiltration into trade unions, schools, politics, religious, and social groups.

In 1944, Earl Browder, then head of the Communist Party of America, wrote: journalistic unmentionable, Frederick Wolt-man, issues public orders to some of the most powerful men and women in Americaand they jump to obey him with an alacrity they would never display to an order from the President of the United States."

PULITZER PRIZE

Of course, that wasn't true either. But it was true that even then Fred Woltman was recognized as the American reporter who knew most about the Communists. FBI agents, Army and Navy intelligence officers, investigators of the Civil Service Commission came regularly to his office to check Fred's mammoth files on American Communists.

In 1945, Fred broke the story of Communist involvement in the infamous Amerasia case, in which "top secret." "secret." and "confidential" documents were stolen from Government files.

CONGRATS FROM HOOVER

For his work in 1946-the year JoE Mc-CARTHY was elected to the Senate-Fred won the Pulitzer prize in journalism for distinguished national reporting exposing Communist infiltration. Among his many exclusive stories that year was one fingering Gerhart Eisler, alias Hans Berger, as the top secret Kremlin agent in the United States. The FBI picked up Eisler the next day. He was later convicted, jumped bail and escaped to Communist Germany.

Regarding that award, J. Edgar Hoover wrote that Fred's work earned "great credit and distinction to himself and the paper he

Gov. Thomas E. Dewey sent his congratulations; so did James A. Farley.

Bishop Fulton Sheen described his work as "journalism at its best, not in reporting of an event, but in the fearless crusade for the highest ideals."

The Silurians, organization of veteran New York newsmen, and the Catholic War Veterans have also given Fred awards for his work exposing Communists.

In 1949 he again attracted national attention by being the first to report the Kremlin's anti-Semitism crusade in Russia.

Fred Woltman became acquainted with Senator McCarthy in 1950, shortly after the Wisconsin Senator took his plunge into the issue of communism. Because of his work, Fred necessarily has followed Senator Mc-CARTHY's activities closely, adding several thousand clips to the famous Woltman files.

Three months ago, with McCarthy controversies monopolizing the headlines, the editors of Scripps-Howard newspapers asked Fred Woltman to draw up a balance sheet on Senator McCarthy's contribution to the struggle against communism.

Fred was chosen for the assignment because his vast knowledge of the Communist movement in America qualified him to give an informed appraisal. He has written these articles without wraps or guidance. He says they constitute another "agonizing re-

[From the Washington Daily News of July 12, 1954]

SENATOR MCCARTHY

In 1946, a Scripps-Howard reporter called the House Committee on Un-American Activities to check on the alleged Communist affiliations of an individual then figuring in the news in Ohio.

He was given such information as the committee had in its files but was advised to call Frederick Woltman at the New York World-Telegram if more details were desired.

"Woltman has more information on these characters than we have," the committee clerk remarked.

Thus, among the experts in that field, Fred Woltman had established a reputation for his research on Communist activities.

So when Mr. Woltman writes about Senator McCarthy and communism, as he is doing in this series beginning in this newspaper today, he is on familiar ground. He pioneered in exposing communism through the News and other Scripps-Howard newspapers long before Joe McCarthy was elected to the Senate from Wisconsin, and he has followed the Senator's activities from day to day from the beginning.

Mr. Woltman's conclusion that the Senator from Wisconsin has become a liability to the cause he so loudly pretends to serve may provoke angry indignation in some quarters, but the thoughtful reader who reviews the case Mr. Woltman has presented is likely to subscribe to that finding.

How Joe McCarthy Has Played Into the HANDS OF THE REDS

(By Frederick Woltman)

Senator Joseph R. McCarthy has become a major liability to the cause of anticom-

That is the conclusion of this writer after 3 months of rechecking the Senator's record since he first embarked on the Red hunt on February 9, 1950-soon after which we got to

From the start, the record shows, Senator McCarthy played into the hands of the Communists. And he has made the going tougher for the many others who long before had been fighting to stop the spread of communism at home and abroad.

He has distorted the present-day picture of communism out of all semblance to reality. And, thereby, he has spread a blanket of confusion over an area where clear think-

ing is imperative.

He has introduced a slam-bang, rabblerousing, hit-and-run technique into the serious business of exposing the Communist conspiracy. And in so doing he has jeopar-dized an even graver Government function which requires exceptional professional skills—the detection of penetration and espionage by a foreign power.

With Asia and West Europe threatened, he has distracted public opinion from the world's critical danger spots. And he has thereby weakened America's leadership

against Soviet aggression.

He has brought to public life a special brand of reckless, knee-to-the-groin tactics which violate our tradition of fair play. Justifying these tactics as essential to exposing communism, he uses them indiscriminate ly—against political foes and other non-Communists, as well as Communists.

In his recent brawl with the Army, Senator McCarthy immeasurably lowered Senate prestige by forcing a subcommittee to investigate itself, then making a shambles of

the hearings.

He has widened the split in his own Republican Party; and demonstrated that, unless he has his way, he's willing to destroy the Eisenhower administration at a time when it's grappling with a world crisis.

Now, after 18 months of Republican rule, Senator McCarthy still is hammering out accusations of treason and espionage in Government without producing evidence. There may be Soviet spy rings still at work, but Senator McCarthy has come up with no

proof.
On the credit side, the Senator without question helped make the man in the street. more security conscious. But the debit side, in the opinion of this writer, far overbalances

the credit on the McCarthy balance sheet. It was in April 1950, that I first met Senator McCarthy. He invited me to dinner. Scripps-Howard had assigned me to try to reopen the whitewashed Amerasia case stolen secret wartime records. The Senator was embroiled with the Tydings Senate subcommittee which was making a pass at investigating his charges of Reds in the State Department.

Two or three or more nights a week with mutual friends he'd drop into my apartment at the Hotel Congressional. I got to know the man.

He was intensely restless, forever on the go He had a grim singleness of purpose with no particular interest in national affairs which failed to touch him directly. He had a brash courage and contempt for redtape or stuffness. His superb sense of press agentry made him a natural headlinegetter.

At times he appeared to be playing a game. One night the Senator arrived with the draft of a speech to be delivered next day in the Senate.

In it, Senator McCarthy announced excitedly that he was accusing Secretary of State Dean Acheson of treason.

Those present were aghast.

Treason, they pointed out, was a high crime punishable by death. He couldn't possibly sustain the accusation and he would only discredit himself. Mr. McCarthy toned down the charge.

But not for long. A few days later he took the Senate floor and accused Secretary Acheson of treason. Naturally he hit the head-lines. The FBI evidently never bothered to

investigate.

Some weeks later the Senator came by again in high spirits. For the first time, in a Capitol elevator, he said gleefully, he'd run into Secretary Acheson. There were no handshakes. But news photographers snapped the two together.

There was Senator McCarthy beaming into the camera, standing beside the Nation's foreign policy chief he'd been calling a traitor. The Senator obviously was getting

a kick out of it.

Four years later his face looked grimmer when he gazed into the TV cameras at the hearings. The pattern changed, however.

Now he was accusing Secretary of the Army Robert T. Stevens of protecting "Com-munist coddlers" in the Army. In effect, the Army, with the backing of President Eisenhower, was protecting traitors in the Armed Forces.

At one point Senator McCarthy spoke of "the evidence of treason that has been growing up over the past 20 * * *" he paused, and he added, with deliberation, "21 years." He was extending the treason charge to the Republican regime.

The clear imputation, which he was to make many times afterward, was that the Eisenhower administration was "soft" on Communists. Yet 2,100 employees had been weeded out of the Government under the President's strict security program.

(Note.-Latest official Civil Service Commission figures show that 2,486 persons have left the Government during this administration, with major security charges pending, Of these 1,400 resigned, some on request and some without knowing of the charges, and the rest were fired. The Commission said 429 of the 2,486 had information relating to possible subversive activity in their files, 207 information relating to sexual perversion, and the rest information on criminal records, drunkenness, loose talk, or other factors considered in the security program.-Editor.)

And, although held completely loyal, J. Robert Oppenheimer, who made the first atom bomb, had been denied further access to atomic secrets because of past associations and failure to observe security rules.

That's not enough for JOE McCARTHY.

President Eisenhower, obviously pointing to the Senator, has warned against inflating the current Communist danger on the domestic front. So has Vice President RICHARD Nixon, who recognized and did something the Communist peril years before about Senator McCarthy.

The fact is there's nothing today like the Red climate in America of 10 years ago. The public is alert to the Communist conspiracy. public is alert to the communist conspiracy. Mr. McCarthy's contribution to that alertness was a definite one, though later. The party liner, who operated openly—and brazenly—in official circles in the 1930's has disappeared. Communism has lost most of the intellectuals.

The fellow traveler, who joined fronts, lending his prestige indirectly to a cause he

dared not join directly, is virtually an extinct animal.

No one knows this better than the Congressional committees seriously charged with the task of investigating communism. So far as the overt Communist movement is concerned, the field is growing fallow.

Yet Senator McCarthy continues to use the blunderbuss, firing in all directions at

The Reverend John F. Cronin, S. S., one of the Catholic Church's leading experts on communism, has criticized the Senator on this score. Father Cronin, assistant director of the National Catholic Welfare Conference, favors the sharpshooter approach, firing only at vulnerable targets.

You don't need an atom bomb to kill a

rat," he says.

Moreover, Senator McCarthy is handing the public a false picture of communism today.

During one of his diversionary tactics at the recent hearings, he charged he was prevented from uncovering 130 Reds in defense plants. Perhaps he does have 130 names of fifth-amendment witnesses.

But it was pure McCarthy fantasy for the Senator, grabbing for a headline, to add that the 130 are "poised with a razor blade over

the jugular vein of this Nation."

The Communist movement here might be laughed off were it not for the immense power behind it of the Soviet Union and international communism. While that power exists, domestic communism remains a great potential danger. The mortal peril, though, comes from without.

To this Senator McCarthy resolutely

closes his eyes; otherwise he loses his headlines. Therefore, he takes wild fliers into foreign affairs, at the expense of allied unity, and to the embarrassment of the Eisenhower

foreign policy.

While the Korean war was on last year, Senator McCarthy carried on a running battle with Harold E. Stassen, the administration's foreign-aid chief. Five years before he had supported Mr. Stassen in the Wisconsin Republican presidential primaries, The name of Gen. Douglas MacArthur was entered.

On a Senate letterhead to the voters, Senator McCarthy helped torpedo the 71-yearold general's candidacy by stressing his age and his divorce.

In the foreign-aid hassle, the Senator accused the British of shipping arms to Red China.

This the British denied. Mr. Stassen called the charge "fantastic, unbelievable, and untrue."

The Senator retorted by reading Britain out of the Korean war. "Let them withdraw and be damned," he declared. "Let us sink any accursed ship which is carrying arms to the Communists killing American boys."

Senator McCarthy's go-it-alone threat was promptly slapped down by his senior Senator from Wisconsin, ALEXANDER WILEY, chairman of the Foreign Relations Committee. Another Republican, Senator H. ALEXANDER SMITH, of New Jersey, said:

"I can imagine nothing more pleasing to the Kremlin than the present battle between Westminster and Washington, for the major aim of Communist strategy is to isolate America and turn our allies against us."

Senator McCarthy's wild twisting of facts and near facts repel authorities in the field. They simply don't want to get mixed up with him.

By crying "wolf" so often, he has only helped convince one segment of the American people that the dangers of communism are mythical.

He has long boasted of employing Red methods to fight Reds. But he went far afield when he began to equate McCarthyism with true Americanism, thus claiming to be the final arbiter of loyalty.

So, in his blowup with the Army, he could accuse the Pentagon of covering for Communists, and threaten Secretary Stevens: "Robert, I am going to kick the brains out of anyone who protects Communists. If that is the policy of you, just go ahead and I will guarantee that you will live to regret it."

His strategy of calling those who disagree with him Reds or protectors of Reds gets a sharp rebuke from the Senator's own biog-They are William F. Buckley, Jr., raphers. and L. Brent Bozell, authors of the recent defense of the Senator, "McCarthy and His Enemies." Senator McCarthy opened his Enemies." Senator McCarthy opened his records to the writers and gave the book his

blessing by appearing at a publication cocktail party in New York.

A basic McCarthy "assumption," say his biographers, is that "one cannot at one and the same time vigorously oppose communism

and McCarthy.

and MCCARTHY."

"MCCARTHY's sporadic reliance on these assumptions," they go on, "this aspect of his 'method,' not only weakens his claim to responsible conduct but seriously undermines his effectiveness."

Although disapproving, the authors pass lightly over this McCarthy sin, this compulsion by the Senator to wrap himself up in

the American flag.

The McCarthy strategy of "you're either for me or a friend of the Communists," is, in this writer's opinion, a boon to the Com-

On the one hand, it enables his pro-Red or confused opponents to belittle such solid anti-Communist achievements as the monumental Jenner subcommittee reports on the Institute of Pacific Relations and interlocking subversion, prepared by its counsel, Robert Morris, now a New York judge. And it gives them an argument to bolster their nonsensical claim that a "reign of terror and thought control" stalk the land.

On the other hand, it has this net effect: It separates people into extremes—the McCarthy backers at one pole and the Communists at the other. There can be no temperate, middle course. Each extreme prospers by inflating the menace of the other. The Communists feed on it. For other. The Communists feed on it. For them Joe McCarthy's a made-to-order

adversary.

The McCarthy "assumption" leads up

some weird alleys.

One of the Senator's staunch friends and close advisers nowadays is George Sokolsky, a columnist. As the McCarthy-Stevens embroilment cooked up, Mr. Sokolsky castigated the Army for what he held to be discrimination against Pvt. G. David Schine, Senator McCarthy's former unpaid aide.

The columnist's indignation soared until

he demanded:

"What does one have to do to be protected these days, join the Communist Party?

It sounded like the old Truman days. But it happened 14 months after the Republicans-and Senator McCarthy-came to

[From the Washington Daily News of July 13, 1954]

McCarthy Myths: They Don't Stand Up in THE COLD LIGHT OF FACTS

(Second article by Frederick Woltman) The war on communism today is ham-strung by a succession of McCarthy myths. They are:

That Senator Joseph R. McCarthy stopped communism in America.

That he exposed and routed a Red spy nest in the State Department.

That he is an able, dedicated anti-Communist investigator-in fact, the best qualified in the country, therefore indispensable. That he stands as the Nation's bulwark against the Kremlin conspiracy.

The record will expose these myths.

It will show that by his excesses, his scarehead accusations that eventually evaporate, his thumb-in-the-eye tactics and his inevitable injection of partisan politics, whether aimed at the Democrats or at critics within his own party, Senator McCarrhy has completely befogged a major issue of the day.

That was brought graphically to American people by the recent unhappy Mc-Carthy-Army hearings. But the story goes back to February 9, 1950.

that evening Senator McCarthy stumbled onto communism.

He made an obscure Lincoln Day speech to the Women's Republican Club of Wheeling, W. Va. "In my hand," the Senator dramatically told the ladies, he had a list of 205 Communists, known to Secretary of State Dean Acheson. "who nevertheless are still working and shaping the policy of the State Department."

At the moment, Senator McCarrhy hadn't the slightest notion of the impact his talk would make. He spoke only from a few notes. But he set off a slow-fused atom bomb. There was launched one of history's most controversial political figures; and new word-McCarthyism-which was to be supercharged with emotion the world over.

Until then, the 41-year-old JOE McCARTHY had attracted slight attention in the Capital. A Wisconsin Democrat, he had turned Republican. During his first 3 years in Washington, he dipped into the 5-percenter scandals, fought to end sugar rationing for industry, opposed the Truman housing program and got to be known as a friend of the real-estate lobby.

At one stage, he was an anti-isolationist, cosponsoring the Kefauver resolution to ex-

plore an Atlantic union.

He'd embarked on one venture which might have wrecked any other Senator. A forerunner of his later attacks on the Army, it concerned the infamous Malmedy massacres in which Nazi troopers slaughtered hundreds of American prisoners during the Battle of the Bulge.

A Senate subcommittee in 1949 investigated reports of brutality by American officers in exacting war-crime confessions from these Nazis. Not a member, Senator Mc-Carthy interjected himself into the hearings, an advocate of the brutality charges. He tried to paint a picture of atrocities—by the Americans, not the Nazis—that were "worse than anything we have accused the Russians of doing.'

Getting nowhere, he accused the commit-tee of a "deliberate" whitewash; its chairman, Connecticut Republican Raymond Baldwin, of "criminally wrong" conduct; the Army of "condoning a brand of brutalitarianism worse than any practiced by the morally degenerate in either Hitler's or Stalin's camp."

Infuriated, Senator Baldwin charged that Mr. McCarthy had accepted the word of Hitler's war criminals over the sworn testimony of American military personnel. Typical of subsequent tactics, the Wisconsin Senator finally walked out in high dudgeon when the committee rejected his demand to use lie detectors on the American officers.

The committee unanimously decided there had been no such physical torture; but that agitation in America and Germany for the convicted Nazis seemed to be part of a concerted move to discredit Americans abroad.

Senator McCarthy survived this bizarre

episode in his career.

Four years and four months after the Wheeling speech, the Senator at the McCarthy-Army hearings delivered a lecture on communism before a TV audience of millions. He exhibited a huge chart to illustrate the progress of the march on communism in America.

Across the top he had printed: "Communist Party Organization, U.S. A., February 9, 1950."

Before February 9, 1950, Senator McCar-THY had displayed virtually no practical in-

terest in combating communism. Redbaiting, as it was derisively termed, had been an unpopular cause in which the News and all other Scripps-Howard newspapers, and this writer, took a leading role for over a decade.

By 1950, however, with Russian truculence growing, it had become almost fashionable to expose the Communist conspiracy.

Before February 9, 1950, nearly all the important counteroffensive measures launched against communism in the United States were well under way. In most of the celebrated cases of individuals, there had been exposures, dismissals and/or convic-

Senator McCarthy, although he often took credit, had no hand in them.

Those vast global projects, the Truman doctrine, Marshall plan and Atlantic Union, had been launched to contain Soviet aggression and bolster the weaker nations. loyalty program had started 3 years before, although it still badly needed stiffening.

Twelve of the top Communist Party leaders had been convicted under the Smith Act 4 months earlier. Gerhart Eisler, the secret Kremlin agent, operating here under the alias of Hans Berger, was first publicly exposed by this writer in the News and other Scripps-Howard newspapers on October 17, 1946. The next day he was due to embark for Europe. On that day, the FBI, which had had him under surveillance, picked up Eisler though previously they had been under orders to let him sail. He was subsequently convicted of passport fraud. On May 6, 1949, Eisler skipped bail and fled to Soviet Germany.

By 1950, Carl Marzani, George Snaw Wheeler, William Remington had either been discharged from the Government or convicted. Harry Dexter White, former Assistant Secretary of the Treasury, died of a heart attack in 1948 after he was charged with spying for the Russians.

Louis Budenz, editor of the Daily Worker, Communist official organ, had broken with the party 5 years before 1950 and laid bare the Communist conspiracy. Elizabeth Bent-ley had testified about a spy ring which led to the White House through Lauchlin Currie, administrative assistant to President Roosevelt. Mr. Currie denied the charges under oath.

Whittaker Chambers had told his fantastic story about Soviet spy rings in Washingtonand nailed it down. So, 19 days before Joe McCarthy's emergence into the Communist scene, Alger Hiss was convicted of perjury. The case shook the Nation.

Six days before February 9, 1950, the British arrested Klaus Fuchs for passing atomic secrets to the Russians. From British tips, the FBI broke the atom espionage ring in America. And the Rosenberg couple eventually were executed.

Senator McCarthy played no part in any of this.

Indeed, at the time of his Wheeling speech, Senator McCarthy's knowledge and understanding of communism were

The following April, over highballs at his apartment, this writer heard a somewhat querulous young woman ask the Senator point blank:

"Tell me, Senator, just how long ago did you discover communism?"

'Two and a half months!" Mr. McCarthy readily responded.

The nightmare of confusion, charges, and countercharges and fancy footwork loosed by his Wheeling talk eventually corroborated the Senator's honest reply.

On February 9, he had a list of 205 "Communists" in the State Department. Next day, at Salt Lake City, it was a list of "57 card-carrying members." The Senator telegraphed President Truman: "I have in my graphed Fresident Truman: I have in my possession the name of 57 Communists who are in the State Department at present." Failure to reveal their loyalty records, he added, injecting politics with a vengeance, "will label the Democratic Party as a bed-fellow of international communism."

The State Department asked for the names, promising dismissal. They were not forthcoming.

For a week Washington went through a bad case of jitters.

On February 20, Senator McCarrhy took the Senate floor. He represented that he had not used the "205" figure in Wheeling. This time he came up with a list of "81 Commu-nists or fellow travelers." And he toned And he toned down some of the original charges, conceding

some might get a clean bill of health. His main accusation-that the State Department knowingly harbored Reds-eventually fell flat. His lists, it turned out, were 3 and 4 years old. Someone else had done the spade work. Subsequently, he admitted using the "205" figure. It came from a 1946 letter, signed by former Secretary of State James F. Byrnes. The "81" figure came from a 1947 House Appropriations Committee report.

How many or how few of any list were still in the State Department and how many of these had been given loyalty clearance remained a puzzle. Only one was ever indicted. The Justice Department under the Eisenhower administration had the indictment dismissed, as obtained by misrepresentation. The assistant in charge of the case was suspended.

For 4 months in 1950, a Senate Foreign Relations subcommittee stewed over the Mc-Carthy charges. The circus atmosphere of the hearings almost matched that of the recent McCarthy-Army spectacle. The chairman. Senator Millard E. Tydings, seemed determined to go down the line for the State Department and the Truman administration. An orderly productive inquiry was doomed.

Senator Tydings failed to call some key witnesses. His handling of others friendly to the administration was amiable; of some of its accusers, fierce. The flagrant partisanship of the Democratic majority produced a whitewash.

Then, as now, Senator McCarthy's raucous antics, wild exaggerations and readiness to turn the Communist issue into a political football compounded the confusion. Democrats happily joined in making Senator McCarthy the issue.

During the hearings, Mr. McCarthy demonstrated his talents for twisting a minor irrelevant fact into headline news that could

be punctured by a pin prick.

The Scripps-Howard Newspapers had been attempting to reopen the whitewashed Amerasia case of the stolen wartime secrets. In the midst of the Tydings inquiry, Mr. Mc-CARTHY made the sensational charge that the case involved the theft and transmission of atomic secrets to Russia 6 months before the first bomb dropped on Hiroshima.

There was no substance at all to the charge. It was based solely on the vague recollection of an investigator that, 5 years earlier, he had seen the notation, "A-bomb," on an unopened envelope in the Amerasia office. That would have been 6 months before the bomb fell and newspaper copyreaders invented "A-bomb" for headline use. Senator Mc-CARTHY beat a hasty retreat.

In a very real sense, he was the creature of his adversaries. The Senator can thank President Truman, as much as anyone, for his phenomenal rise. For the President ig-nored his wire about the "57 Communists." Had he turned it over to the FBI for investi-gation, Mr. Truman would have taken the play away from Mr. McCarthy. Instead, he assailed the Senator as a "pathological character assassin," and put him in further headlines.

JOE HAS HIS OWN FORMULA

[From the Washington Daily News of July 14, 1954]

(Third article by Frederick Woltman)

Senator Joseph R. McCarthy has brought a sinister concept into the American scene which can do incalculable harm to our free political system. It might be called the Mc-Carthy formula of treason.

It consists of imputing treason, treasonable motives, plots and conspiracies to one's opponents. It's a convenient political weapon with JOE MCCARTHY.

For instance, he said that Dean Acheson was guilty of treason when he was Secretary of State, and that the Democratic Party chalked up "20 years of treason." He said Gen. George C. Marshall, who masterminded the Nation's World War II military strategy. was part of "a conspiracy so immense, an infamy so black, as to dwarf any of the previ-ous history of man."

Those with whose decisions Senator Mc-CARTHY disagrees are, in his book, in league with traitors.

The Army, by its own admission, dragged its feet on one security case. To Senator McCarthy, therefore, the Army was guilty of deliberately "protecting, promoting, cover-ing up * * * known Communists." Because the White House backs the Army against his charges of "Communist cod-dling," he now reads treason into the Eisenhower administration. (See accompanying date tabulation on the headlines Senator McCarthy has managed to whip up against the Republican administration appearing at the end of a series of articles).

The treason formula has grown to be almost as strong an obsession with Senator MCCARTHY as the "Marxist-Jewish-Commu-nist conspiracy" myth was with Hitler. Like the latter, it falsifies history. It splits down the middle, between traitors and

the fellow travelers and dupes and the exponents of true Americanism, for which the Senator says "McCarthyism" stands.

It inevitably churns up hatred and mis-understanding among people, racially, religiously and politically.

Furthermore, the McCarthy treason pattern makes it all the harder for the average man to tell the difference between criminal acts and bad judgment, between disloyalty and unpopular ideas. It stretches the definition to include people Senator McCarthy doesn't like.

At best, this creates an atmosphere that rules out strict political accountability for past errors. The Senator's flair for exaggera-tion takes care of that. And the Senator himself is by no means oblivious to the dangers inherent in making political capital out of treason and communism.

In late 1952, he did say:
"If the fight against communism is made
a fight between America's two great political parties, the American people know that one of those parties will be destroyed and the Republic cannot endure very long as a oneparty system."

But, on February 4, 1954, he found it in his heart tc say:
"The issue between the Republicans and

Democrats is clearly drawn. It has been deliberately drawn by those who have been in charge of 20 years of treason. The hard fact is that those who wear the label Democrat wear it with the stain of a historic betrayal."

He thus pinned the label of treason on 26,898,281 American citizens who voted the Democratic ticket in 1952.

Senator McCarthy arrived at this epic con-clusion by a series of frauds.

Whatever the faults of the Truman administration, no responsible political figure could charge to it, as did Senator McCarthy, "a planned betrayal" in the Korean war. Or that the Truman State Department "signed the death warrant of every American boy who died in Korea." Or that the American Government-the executive as well as the military—was headed by "dupes and traitors" who "tried to make sure we did not win the battle" and led us to defeat in Korea. Thus, the McCarthy treason formula.

The Senator's attack on Gen. George Marshall June 14, 1951, will probably go down as one of the most disgraceful orations in congressional history.

It was a 60,000-word speech, to be "fully documented," Senator McCarthy had announced, exposing "a great conspiracy" that "shall be forever deserving of the maledictions of all honest men." tions of all honest men."

As Chief of Staff, General Marshall had favored a channel invasion as the most direct route to the heart of Germany and the least costly in lives. Prime Minister Churchill pushed for a Mediterranean invasion, with the idea of assuring the Western nations a power balance in postwar Europe.

The Marshall strategy prevailed. Years later Senator McCarrny called it an intentional surrender to Stalin. He pictured Gen. Dwight D. Eisenhower, Allied European commander, as "invariably" siding with his chief, General Marshall.

As the Sanator droned on for 3 hours, shocked colleagues began to fade away. When the floor had almost emptied, Senator McCarthy abruptly cut off the reading. the sensational conspiracy charges against a five-star general, whom many regarded as a military hero, hit headlines.

Then, eager to forget the farce, the Senator

passed on to new headlines. He succeeded, however, in silencing for the time being honest critics of General Marshall's Far Eastern and other foreign policies which had been under fire.

Last year, while chairman of the powerful Senate Permanent Investigations subcommittee, he made two more irresponsible headline bids. These ended in the ashcan,

In one, Senator McCarthy charged the Truman administration with a treasonable shortage of ammunition in Korea—"one of the most inexcusable scandals that has ever been brought to light."

Republican Senator LEVERETT SALTONSTALL of Massachusetts, chairman of the Armed

Services Committee, put out a quick denial.

Despite the denial, Senator McCarthy renewed the charges 2 months later. This time, with the Republicans in office 8 months, he asked publicly how many traitors were still left in Washington.

In another bid for headlines, he implied that President Truman had concealed from the FBI a list of 150 Soviet atom spy suspects which had been turned over by the Canadian authorities.

The Canadian spy-list charges had been kicking around for 3 years. If true, the FBI must have been sitting on its hands. Attorney General Herbert Brownell announced

JOE MCCARTHY beat a hasty retreat.

In his "indictment" of the Democratic Party for "treason on 20 counts," he decandidate for President, plead guilty or not guilty "before the greatest of all juries, the American people."

The press gravely reported the McCarthy "indictment."

The "counts" dealt with past foreign and military policy decisions, many of them generally approved at the time, others opposed.

In one "count," Senator McCarthy accused President Truman, when the Korean war broke out, of ordering the 7th Fleet to halt attacks on Chiang Kai-shek's forces on the Red mainland of China. He failed to mention the rest of the directive: that the 7th Fleet was to protect Formosa against Red attacks.

Another "treason count" was based on American recognition of Russia in 1933. that was treason, the McCarrhy "indict-ment" should have included such outstanding Americans as Senator William E. Borah and Alfred E. Smith, who worked for recognition. The Scripps-Howard newspapers played a leading role in behalf of recognition.

By last May, the reckless McCarthy ac-cusations had so disrupted the Capitol that Senator William F. Knowland, Republican floor leader, repudiated them from the floor.

President Eisenhower followed up 24

hours later. He said:

"If we allow ourselves to be persuaded that every individual—or party—that takes issue with our own convictions is necessarily wicked or treasonous, then indeed we are approaching the end of freedom's road."

With the return to power of the Republi-cans after 20 years. Senator McCarrhy was expected to ease off his role of Communist hunter. By rank he was slated to head the Government Operations Committee of the Senate. This watchdog committee and its investigative subcommittee heretofore had left communism to the properly designated committees.

Reached in Phoenix, Ariz., November 8, 1952, the day after election, Senator Mc-Carrhy told this writer he planned "an entirely different role." His emphasis, he said, would be on graft and corruption.

"The picture has so definitely changed," he said then. "Now it will be unnecessary for me to conduct a one-man campaign to expose Communists in Government. We have a new President who doesn't want party-line thinkers or fellow travelers. He will conduct the fight."

But the lush headline potential was too attractive. By December 10, 6 weeks before the inauguration, he told an audience there'd be "no slackening" of his campaign against communism. "We have only scratched the surface," said the Senator.

The Senator didn't give his own party a chance to make good its campaign pledge to toughen up on the Reds.

[From the Washington Daily News of July 15, 1954]

JOE MCCARTHY'S FORMULA: ANYTHING FOR A HEADLINE-HOW HE THREATENED TO WRECK FUNCTIONS OF UNITED STATES INTELLIGENCE SYSTEM

(Fourth article by Frederick Woltman)

In his grab for headlines, Senator Joseph R. McCarthy was ready to give Central Intelligence Agency, America's supersensitive \$1 billion-a-year watchdog against communism abroad, the same treatment he handed the Army

With CIA, a McCarthy workout could be

The Army, its banners tattered and soiled, was able to survive.

But CIA depends on the strictest secrecy for all its operations. By disrupting its co-operation with intelligence arms of allied governments, the McCarthy treatment would dry up foreign sources.

The Wisconsin Senator months ago started a hatchet job on the agency and its director, Allen W. Dulles, brother of Secretary of State John Foster Dulles.

UNSUPPORTED

During the McCarthy-Army hearings, he casually tossed out grave—but totally unsupported—charges against CIA as though they were accepted facts.

The agency harbors "traitors," he said. It "is more heavily infiltrated by Communists than any agency of the Government." It presents "a worse situation than the Army."

Even before that, last year, he told the press that a Communist Party member, ac-

cording to "evidence," had access to CIA

sccrets.
"An extremely bad situation," the Senator solemnly added.

Evidently it wasn't bad enough for Mr. McCarthy to do anything about it, but he did cash in on headlines at the time.

At the Army hearings he found himself in a tight spot. So he unexpectedly revived the CIA accusations, with the clear implication that the Eisenhower administration was covering up.

This time, the Senator indicated, he was

really going to town.

President Eisenhower, however, resolved in no circumstances to expose CIA to Mr. Mc-CARTHY. He was ready for a showdown and moved fast. On July 5, it was announced the Hoover Commission would make a study of the agency and that Gen. Mark W. Clark would head the job.

This gave Senator McCarthy, whose case against CIA was ephemeral to begin with, a chance to get himself off the hook. He grabbed it fast and zigzagged away from the CIA issue. He was glad to see the study and would postpone his own investigation.

NO INVESTIGATOR

Whether or not Senator McCarthy abandons for good plans for his own CIA inquiry, it must be borne in mind that essentially he's no investigator. He's a headline maker.

His "press briefings," held often after closed one-man committee hearings, get him the headlines. There, he's accountable to no one. He can feed out at will exaggerated versions of secret testimony and unproved hearsay.

Reporters who cover Mr. McCarthy are only too familiar with this phase of his methods. It so often leaves them or their newspapers holding the bag.

In his Government Printing Office inquiry, the Senator did succeed in flushing out a bookbinder who was a fifth-amendment security risk. The GPO, he brought out, had been lax and inept in handling the case.

But this wasn't enough for Senator Mc-CARTHY. Earlier he made sensational headlines by telling the press of secret testimony. It showed, he said, that the employee had access to atom- and hydrogen-bomb secrets. He was "trying to establish," he said, whether Red spies slipped nuclear secrets to Russia, thereby speeding development of the Russian H-bomb.

The headlines never stood up. The testi-mony turned out to be that of a woman who had reported her suspicions long before to the FBI, and nothing happened. This did not, however, restrain the Senator from cashing in on them years afterward.

The Senator kept the espionage at Fort Monmouth boiling for months this way and caused the first break between himself and the Army. Secretary of the Army Robert T. Stevens concluded Mr. McCarthy was misrepresenting the facts and injuring Army morale.

Senator McCarthy, Mr. Stevens testified later, was "very mad and felt I had double-crossed him by denying 'current espionage'."

But when the time came to make good on the charges, the Senator ducked out.

He had "no real hope" of proving espionage, Senator McCarriy told the subcom-mittee. He went further: "It is not our function to develop cases of espionage."

Despite the unproved charges and countercharges, the unending flow of contradictory charges, the unending flow of contradictory testimony and the irrelevancies, the Army-McCarthy hearings seemed to bear out an earlier remark by Defense Secretary Charles E. Wilson. Namely, that while one Communist in the Army was too many, the McCarthy holocaust was fiddling while Rome burns compared with the momentous de-fense problems of meeting the threat of global war. PERESS CASE: WHAT REALLY HAPPENED?

Take the case of Maj. Irving Peress. though he failed to fill out his loyalty ques-tionnaire, the dentist had been commissioned, promoted, then, after pleading the fifth amendment, honorably discharged.

This started Senator McCarthy on his allegation of "Communist coddling" by higher-ups in the Army.

Yet, 6 months before Mr. McCarthy called

the major to a closed hearing, the Army had recommended the dentist be separated from the service.

And a year before that the Army had issued a directive which should have prevented such slip-ups in the future.

Secretary Stevens frankly admitted the Army's screening process had broken down in the Peress case. He took immediate steps to prevent a recurrence. The faults were obviously administrative.

Senator McCarrhy insisted, nevertheless

on reading a sinister plot into the affair.
He magnified it to ridiculous proportions.
Or take the case of the "35" (actually 36)
Monmouth civilian employees used by Mr. McCarthy as a limb on which to hang his recurrent cries of "Communists" and "espio-The 36 had been suspended on a security recheck. The Senator took credit for forcing the suspensions.

But the Army had been investigating months before Senator McCarthy crashed

the act.

Mr. McCarthy kept referring to the "35 Communists" during the hearings. Occasionally he made oblique references to "traitors." Yet—

All 35 (36) denied the Communist charges. Not one invoked the fifth amendment.

Of the 36, not 1 has been finally dismissed. Fourteen have since been reinstated, four with full clearances.

Monmouth illustrates the unique McCarthy distortion technique: stating as facts a set of nonexisting circumstances; then repeat-ing them as facts when challenged.

Completely lost to the public in the Mc-Carthy-Army polemic is the Senator's prin-cipal target—the unknown higher-ups in the Pentagon who have been "coddling the Communists."

These are the real culprits, according to Mr. McCarthy.

DISBANDED PANEL

This sinister aggregation turns out to be the Army's Loyalty-Security Appeals Board, a panel of 20 men named under the Truman loyalty program. When the Eisenhower security program took over in April 1953 the panel was disbanded. Its members returned to their regular jobs.

The panel consisted of regular Army colonels and lieutenant colonels along with high-level Army career employees in the salary grades of \$9,600 up. The civilians came from the Judge Advocate General's office, from G-2, finance, Army education and other branches.

They decided appeals according to the then existing loyalty standards, under which cur-rent loyalty alone was the test. They had no alternative but to follow those standards. But under the Eisenhower security pro-

gram, security risks, based on past associations, takes precedent over present loyalty.

Senator McCarthy refuses to recognize the different official standards.

So he wants to subpena the 20 and interrogate them on their reasons for reversing some dismissal recommendations by the hearing boards.

President Eisenhower made up his mind not to subject these Army officers and career men to the Senator. The President could hardly forget the "abuse" Mr. McCarthy heaped on Brig. Gen. Ralph W. Zwicker, the decorated World War II combat officer, at a private hearing. The Senator said the general was unfit to wear his uniform. That blew the lid off.

NO BLACK AND NO WHITE

Moreover, the executive branch, present and past, holds that any loyalty program would be destroyed if Congress could sit as a superjury to review cases. Most Members of Congress agree. Cases on appeal are

never black or white.

They are in the gray area, requiring decisions of judgment on which reasonable men

may disagree.

Appeals board members, confronted with the prospect of having to explain themselves later to a congressional committee—or to Senator McCarthy-are apt to render political decisions.

That's the crux of the controversy between Mr. McCarthy and the White House which

shaped up at the hearings.

Should Mr. McCarthy open up again on our foreign intelligence service, CIA Director Dulles will have some lessons to guide him from the Army-McCarthy clash.

For one thing, the Senator's fancy foot-

First he accused the Army of using his former unpaid aid, Pvt. G. David Schine, as a "hostage" to "blackmail" him into dropping the Monmouth inquiry. Two days be-fore the hearings opened, he shifted strategy, and contended that Assistant Defense Secretary H. Struve Hensel masterminded Army charges that the Senator demanded special treatment for Schine. Why? So Senator McCarrhy would be shunted off from an inquiry into "serious charges of misconduct and possible law violations" by Mr. Hensel in a wartime Navy deal-according to the McCarthy version.

But there the plot enlarged, and the insti-gators had become Attorney General Herbert Brownell, Jr., his chief deputy, William P. Rogers, and Sherman Adams, Assistant to

the President.

Further along, the Senator saw a chance to pin it all on the Democrats.

It was the Democrats who "shoved" Secretary Stevens into the battle, but by the time Mr. McCarthy took the witness stand, Secretary Stevens had become "essentially" an honest man, "mouse-trapped" by the Demo-crats, bewildered by "the rough and tumble of Washington politics."

So Senator McCarrhy had backed away completely from his original charges.

The Hensel charges, meantime, evaporated. Mr. McCarthy at an executive session admitted he based them on an assumption, arrived at when he "added 2 and 2 together." According to Mr. Hensel, he'd even offered to withdraw them if possible without seeming a "damn fool."

OLD INDIAN CHARLIE

In an affidavit to the committee, Mr. Hensel swore the Senator had explained the origin of the charge: An Indian he once knew named "Charlie" advised young Joe that in a scrap one should start kicking below the belt as fast as possible until one's opponent

was rendered helpless.

The "Charlie" explanation rings true to the oft-repeated McCarthy boast that he uses such tactics on Communists. Except, of course, the Assistant Defense Secretary could, by no stretch, be called a Communist.

CIA Director Dulles has another lesson before him: The humiliating spectacle of the Army truckling to the Senator and his ambitious, uncurbed chief counsel, Roy M.

Altogether, the testimony shows there were some 70 phone calls, conversation, or other contacts between the Army and the Mc-Carthy staff on the question of favored treatment for Schine.

Mr. Stevens fraternized with the 27-year-Mr. Stevens fraternized with the 27-year-old private as an intimate. Three times the Army Secretary went over the question of a Schine commission with the Defense Sec-retary. Once he met CIA Director Dulles at 8:15 in the morning to propose an intelli-gence assignment for Schine.

THE CIRCUMSPECT MR. SCHINE

Though unable to control his own chief counsel. Mr. McCarthy could make an errand boy out of Army Department Counselor John G. Adams. At one point, Mr. Adams reported happily to the McCarthy staff that Schine was "behaving in a circumspect manner" at Camp Gordon

Why, Private Schine was such a good boy he's sold his Cadillac, gone into Augusta and, Mr. Adams reported, got himself a "second-

hand Chevvie."

A high point of silliness was struck at a McCarthy-Adams conference on January 22 when the Senator presented the Army counseler with a cheese and some sausage

It was at this conference, Mr. McCarthy testified, that Mr. Adams tried to blackmail

A GIFT CHEESE FOR THE SECRETARY

Secretary Stevens, who also got a gift cheese, and the Senator had a monitored phone talk afterward. The transcript goes as follows:

"Secretary of the Army. I want to thank you first of all for the marvelous cheese you and Jeannie sent me—we are most grateful to you, Joe. It would be in or out of order to buy you a cocktail that you might name? "Senator McCarrhy. Why don't you drop

over here about 5 and we can go across the street and have a drink."

It was some time later the Army decided you can't do business with Joe McCarthy.

[From the Washington Daily News of July 16, 1954]

HOW MCCARTHY DEMORALIZED THE VOICE-A VICTORY FOR THE KREMLIN-HERE'S AN EXAMPLE OF HOW NOT TO RUN AN INVESTI-GATION

(Fifth article by Frederick Woltman)

Senator Joseph R. McCarthy is bringing into disrepute one of the most vital func-tions of Congress. It is the power to investigate—an invaluable weapon in America's arsenal against communism.

Senator McCarthy's methods menace in particular the future of the two commit-tees created to deal with the Communist conspiracy. They are the Velde Un-American Activities Committee in the House of Representatives and the Jenner Internal Security Subcommittee in the Senate.

Both have developed sound, fair, and judicial procedures. Yet they increasingly are tarred with the McCarthy brush.

For the Wisconsin Senator has given a powerful shot in the arm to those who would take Congress altogether out of the business of exposing communism. The Communists and the anti-anti-Communists are delighted.

THIS WAS HIS WORST

His supreme disservice to date to the investigative role of Congress was the degrading spectacle of the McCarthy-Army hear-No one understands this better than his own Republican colleagues most concerned with communism.

To save what was left from the wreckage and to restore public confidence, the Senate Republican policy committee on July 1 offered a new code of conduct for committees. One objective was to "assure the rights of witnesses" and guard against "smears."

Senator McCarthy's position up to now has been: "To hell with everybody. I'll make my own rules."

As a case history of his methods, this writer made a special study of the Senator's first venture after inheriting chairmanship of the powerful Senate Government Operations Committee in January 1953. It was his melodramatic inquiry into the Voice of America and our overseas information program. Then in the State Department, this \$88 million-a-year agency has been waging the Government's propaganda counter-of-fensive against Soviet communism.

HIS JOB ON THE VOICE

The committee and its permanent investigations subcommittee, before Senator Mc-CARTHY took over, had achieved a creditable reputation for uncovering waste and corruption. It had scrupulously steered clear of communism, leaving that to the two other committees. At the same time, President Eisenhower took office pledged to make subversion in Government the responsibility of the executive branch.

Hardly before the new President was sworn Senator McCarthy moved in.

The two central figures in the Army-McCarthy wrangle, Roy M. Cohn, his counsel, and G. David Schine, his unpaid aide, carried the ball on the Voice inquiry.

For months running they generated blaz-ing headlines of "Mess," "Scandals," "Sabo-tage," and "Subversion."

In the judgment of this writer, it will go down as one of the most disgraceful, scatterbrained, inept, misleading, and unfair investigations in congressional annals.

The public hearings (770 pages of transcript) and the final reports, as well as the Senator's day-to-day press feedouts, gave a totally distorted picture of what, by 1953, had become a potent force in the psycho-

logical war against communism.

As a result, the work of the agency was disrupted for months; its staff was demoralized; America's influence abroad was damaged; the Red press of the world had a field

day; it was a mighty victory for the Kremlin.
The record of the McCarthy Voice inquiry
offers a revealing lesson on how not to run
a congressional investigation. It could serve as a useful guide to the current hearings on committee methods, conducted by the Senate Rules Subcommittee and its counsel, Robert Morris.

The McCarthy-Cohn-Schine trio set out to show sabotage and subversion. Evidence to the contrary was brushed aside.

UNCHECKED SUSPICIONS

The few Voice employees who fancied "plots"—on the filmsiest pretexts—were rushed into public hearings.

Responsible anti-Communist employees. who did not, were never called.

Unchecked suspicions and grievances of witnesses with an ax to grind were presented on TV as believable evidence. Second-hand testimony was used which first-hand evidence would have exploded.

Salient documentary evidence was not brought to the attention of the committee members.

In some instances Senator McCarthy picked as a target solidly anti-Communist Voice officials. One was Edwin M. J. Kretzmann, the VOA policy adviser, who had al-ways backed an aggressive anti-Communist policy in the broadcasts. On second-hand hearsay, later refuted, Senator McCarrhy tried to make an atheist out of VOA's religious editor. This got headlines.

Their cops-and-robbers, 18-day whirlwind tour of 7 European countries made a laughing stock of Mesrs. Cohn and Schine and of their Government.

Ostensibly there to find Red-authored books in American libraries, they sailed through with a blaze of press interviews that would have brought instant dismissal had they been, for instance, FBI agents.

It was a performance inconceivable under any other congressional committee chairman.

For calling them "junketeering racketeers," Theodore Kaghan, acting public affairs director for the United States High Commissioner in Germany, was brought back, grilled mercilessly by Senator McCarthy, mostly on irrelevancies, and cashiered.

The McCarthy staff ignored Mr. Kaghan's outstanding record in directing the anti-Soviet propaganda war in Austria and Gei many, attested to by leading German antiNor did it matter that High Commissioner James B. Conant, appointed by President Eisenhower, defended Mr. Kaghan as "an effective" fighter against communism.

Secretary of State John Foster Dulles had to plead for 6 months "to correct errors," but said he would not be "dictated to." Panicked at one point, Mr. Dulles ordered

Panicked at one point, Mr. Dulles ordered that henceforth no Communists could be quoted in Voice broadcasts behind the Iron Curtain.

Quoting Stalin's words to make him eat them had been a useful psychological tool against the Kremlin. Later Mr. Dulles reversed the order.

Senator McCarthy put on a full-dress show over his charge of Communist books in over-seas libraries.

The number turned out to a tiny fraction of the 2 million volumes.

The Senator disregarded the fact that the Government was acutely aware of the problem and already was weeding out the books. A Government spokesman testified that the book charges were exaggerated "out of all proportion."

Senator McCarthy's final Voice reports were 1-man documents signed by the Senator. Compared with those of the Velde and Jenner groups, they were, to say the least, half-baked.

In some instances, blistering conclusions were reached which flatly contradicted the evidence; in others, out-of-context excerpts were used which the full text would have refuted.

BAKER EAST AND BAKER WEST

Possibly the Senator's most shocking exhibition concerned Baker East and Baker West.

Here he tried to pin a fantastic sabotage plot on Voice engineers and their superiors. What was involved was nothing more than a problem of radio transmission. Had he bared the full story, Senator McCarthy's "plot" would have had to include such institutions as the Radio Corporation of America and Massachusetts Institute of Technology.

Yet the Senator kept throwing out innuendos of treason which guaranteed him headlines.

In the midst of this, the Voice engineer who had done the spade work on the Baker projects, Raymond Kaplan threw himself in front of a truck in Boston. Quickly after the suicide, Senator McCarthy announced there was no evidence of "any wrongdoing of any kind" against Mr. Kaplan.

In a suicide note to his wife and son, Mr. Kaplan wrote he was being made "the patsy." He added: "You see, once the dogs are set on you, everything you have done from the beginning of time is suspect."

Bakers East and West were part of an enormous top-level project for piercing the Iron Curtain. The idea, known as the Ring plan, was to build a necklace of superpower radio transmitters around the Soviet-dominated countries to break Russian jamming. Bakers East and West were to be the two shortwave stations on American soil.

The State Department retained MIT's Research Laboratory of Electronics to recommend locations. After exhaustive research and based on reports from RCA's Central Propagation Laboratory, the Bureau of Standards and the Army Signal Corps, MIT proposed one site in North Carolina, and another near Seattle.

A technical disagreement later came up over the locations. Here Senator McCarthy entered the picture. An unhappy ex-assistant engineer had opposed the Seattle site.

On the basis of his testimony, Senator McCarthy and his staff created a false issue over the sites. From it, they tried to spell out a subversive plot to mislocate the stations for the Soviet Union.

At first they played down the role of MIT and RCA. They failed to bring out official

correspondence that would have showed the sites were recommended and re-recommended by the outside agencies.

They failed to call a single one of the prominent electronics engineers and scientists who made the recommendations and would have backed the sites.

would have backed the sites. Senator MCCARTHY, to show great waste, kept repeating that the MIT study cost \$600.000.

Actually it cost \$6,000.

The issue narrowed down to one man, Dr. J. B. Wiesner, director of the MIT electronics laboratory, who signed the report favoring Seattle. Senator Karl Munnt, Republican, of South Dakota, and other Senators pressed Senator McCarthy and Roy Cohn to produce the MIT scientists in order to get the facts straight.

Mr. Cohn finally told them he had talked with Dr. Wiesner, with "three of us on the

line."

"Dr. Wiesner," he assured the Senators, stated "that it was his conclusion that Baker West, from a standpoint of efficiency and reliability, should be moved south and away from Seattle, and that he would just as soon not come here and testify, as that was his conclusion."

That satisfied the Senators.

Dr. Wiesner was never called.

In his final report to the Senate, Senator McCarthy slightly watered down his original accusations of "deliberate sabotage" which got him the headlines. But he was still able to boast that he "uncovered waste and mismanagement of such a magnitude to suggest deliberate sabotage as a possible alternative to hopeless incompetence."

This writer recently visited Dr. Wiesner at MIT in Cambridge, Mass. There he directs a staff of 350 which is doing basic scientific research on radar communications under Government contract.

Dr. Wiesner told me that Mr. Cohn had misrepresented him.

Virtually all of the engineers still favor Seattle, he said.

"I told Cohn my technical judgment was still to put Baker West in Seattle," said Dr. Wiesner.

"We had a long, heated discussion in which he tried hard to get me to agree that the Seattle site was inferior. I refused. He misrepresented my position.

"Also, at the end of our final discussion, Cohn said: 'I don't intend to subpena you, but you are free to come down and make any statement you want to.' He did not ask me to come.

"Since I had no idea he was going to misrepresent me, I thought I had no need of coming.".

Mr. Cohn had also suggested sabotage.

"I told Cohn I saw no evidence of sabotage," Dr. Wiesner asserted. "I felt at the time and still do that the sabotage charge was completely unfounded and ridiculous."

By failure to present Dr. Wiesner's vital testimony, Senator McCarthy could report mismanagement approaching sabotage. And he could boast of having "effected a saving of over \$18 million" in the Baker projects alone.

At the McCarthy-Schine hearings the Senator gave much of the credit for the \$18 million savings to Schine, now an Army

private.

The figure turns out to be not quite so.

On the heels of his sabotage charges, the Baker projects were scrapped. But \$8,434,000 had already been spent.

And the world's two largest radio transmitters now lie useless in Government warehouses, declared surplus property.

It's these free-wheeling McCarthy tactics that put the Velde and Jenner committees at a murderous disadvantage. The Senator can out-talk and out-shout them. His exaggeration and distortions assure headlines. Their quiet, orderly methods do not.

What is needed in America today is continued vigilance by the FBI and other police agencies; plus a joint congressional watchdog committee, under a responsible chairman, with fair and sound rules of procedure.

Last February the Republicans got worried over the effect of Senator McCarthy's committee methods on public opinion. Senator Homer Ferguson (Republican, of Michigan), chairman of the Senate Republican Policy Committee, announced a unanimous decision to push for certain committee procedural reforms. They were endorsed specifically by President Eisenhower and Vice President Nixon.

The Senator's reply was defiance.

He didn't "give a tinker's damn," Senator McCarthy asserted, about "how high or how low" were his critics in either party. To emphasize he meant the President and Senate Republican leaders, he repeated slowly and deliberately: "How high or how low."

[From the Washington Daily News of July 14,

BLASTS FROM A STUCK WHISTLE—MCCARTHY VERSUS THE GOP

With the election of Dwight D. Eisenhower and the return of the Republicans to power, Senator McCarthy lost little time in harassing the new regime.

As under the Democrats, the McCarthy stuck-whistle charges continued—of Communists, subversion, treason, in Government. Here is a calendar tabulation of the headlines the Senator was able to make for himself under the Republican administration:

November 8, 1952 (day after election): Tells reporter his "emphasis will not be on communism, but on graft and corruption.

* * We have a new President who doesn't want party-line thinkers or fellow travelers. He will conduct the fight."

December 10: Says in Washington there would be no slackening of his campaign against communism. "We have only scratched the surface."

December 12: Demands the President-elect give him the Executive files on crooks or Communists in Government.

January 1953: Launches attack on the Eisenhower nomination of James B. Conant, president of Harvard, as High Commissioner to Germany. A few weeks before, announced he was going to investigate Communist thinkers in Nation's colleges.

February 13: Announces, after one closed hearing, he has found evidence of sabotage in the Voice of America, under the new Secretary of State, John Foster Dulles.

February 14: Promises sensational disclosures of "waste, incompetence, and subversion," in the Voice of America.

February 28: Mr. Dulles pleads for 6 months to correct the accumulated errors in the past 20 years. Senator McCarthy steps up his attacks, turning them on the United States information program abroad.

March 21: Launches drive to scuttle President's nomination of Charles E. Bohlen, Russian expert, as Ambassador to the Soviet Union. Asserts latter is security risk. Accuses Mr. Dulles of double talk and untrue statements in defending Mr. Bohlen and demands lie-detector test of Mr. Bohlen. Mr. Bohlen confirmed after Republican Senator Robert A. Taft contemptuously answers McCarthy charges. And after Republican policy chairman, Senator William F. Knowland, assalls them.

March 29: Begins bitter, drawn-out controversy with Eisenhower Foreign Aid Chief, Harold E. Stassen, over Greek ship trade with Reds in Orient. Mr. Dulles warns of dangers in congressional committees entering field of foreign relations.

April: McCarthy aides Roy M. Cohn and G. David Schine make 18-day whirlwind sween through West Europe to ferret out subversion in United States overseas information program.

May 4: Delivers go-it-alone speech to Senate, daring our allies to pull out of Korean war. Republican colleagues reply nothing could be more pleasing to the Kremlin.

June 14: President assails "book burners,"

term generally directed at Senator McCarthy for his campaign on State Department's libraries abroad

July 9: Turns guns on Central Intelligence Agency and its Director, Allen W. Dulles, brother of Secretary of State.

August 4: Accuses CIA Director Dulles of "coverup."

August 5: Claims Reds "still" in Depart-

ment of Agriculture.

August 10: Tells press Communist Party member has access to secrets of CIA, Military Establishment, and Atomic Energy Commission through Government Printing Office. Hints Red spies stole nuclear secrets which helped Russia develop H-bomb. tremely bad situation."

October 11: Claims evidence that has "all the earmarks of extremely dangerous" and "extremely recent" espionage in Army Signal Corps radar laboratories at Fort Monmouth.

November 21: Announces "We've got to take a lot more positive stand against Communists . . . We haven't even scratched the surface yet."

December 1: Attacks Government for soft treatment of Allies over trade to China. we going to send perfumed notes, following style of the Truman-Acheson regime?' Secretary Dulles replies, with approval of President, that Senator McCarry "attacks

the very heart of United States foreign policy."

December 2: Without mentioning name, President takes sharp issue with Senator McCarthy's tactics for dealing with Communists at home and abroad.

December 15: Announces he will demand names of Navy personnel who "cleared Communists."

January 13, 1954: Announces investigation

of possible Red influence in Hawaii. February 2: Insists again he uncovers "very, very current espionage" at Fort Mon-

May 30: At Army-McCarthy hearings, finally extends "20 years of treason under the Democrats" to "21 years of treason," bringing it into the Eisenhower administration.

Mr. LEHMAN. Mr. President, will the Senator from Vermont yield?

Mr. FLANDERS. I yield.

Mr. LEHMAN. Mr. President, I wish to compliment the distinguished Senator from Vermont on his eloquent and convincing remarks. At a later date I shall speak at considerable length on the resolution he has just read and on the evils and dangers of "McCarthyism," on which I have spoken so frequently in the past 3 or 4 years, both on the floor of the Senate and elsewhere.

However, in the meantime, let me assure the distinguished Senator from Vermont of my wholehearted support of the resolution he will call up. I express the deep hope and the expectation that the deadline for the presentation of the resolution will be not later than July 30; otherwise, I greatly fear that in the press of the business of the Senate, the resolution may be sidetracked, and Members of the Senate may be deprived of an op portunity to express their views on this all-important subject, which so closely affects the dignity, the duties, and the responsibilities of the Senate, in which

the distinguished Senator from Vermont and I have the honor of serving.

Mr. FLANDERS. I heartily thank the Senator from New York.

SECRET ARMY INFORMATION AND ARMY CONTRACTS TO UNDER-WORLD ASSOCIATES

Mr. WILLIAMS. Mr. President, in 1951 a charge was presented to the Senator from Kansas [Mr. Schoeppel] and myself that associates of the underworld had been given clearance to secret contracts and information by the Department of the Army, and that a company controlled by this group was being awarded Government contracts at prices higher than other responsible bids.

Also the charge was made that this company, controlled by a man who definitely was connected with the underworld, had placed a representative in a key position as assistant to the Director War Mobilization Board, and that this representative had been given this high position without any FBI check.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER (Mr. Kuchel in the chair). Does the Senator from Delaware yield to the Senator from Maryland?

Mr. KNOWLAND. Mr. President, I ask that the Senator from Delaware vield only for questions. I expect to insist that the rules be rather rigidly enforced until we dispose of the unfinished

Mr. BUTLER. Mr. President, will the Senator from Delaware yield for a question?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Did I correctly hear the Senator from Delaware? Did he say that a man with definite connections with the underworld had placed in a high position in our Defense Establishment another man without FBI clear-

Mr. WILLIAMS. That is correct. think the documents I shall place in the RECORD today will substantiate that statement. In fact, I shall quote at this time from a letter signed by Mr. Charles E. Wilson, Director of the War Mobilization Board—and I may say this Mr. Wilson is not the Charles Wilson who is the Secretary of Defense. The letter is dated March 31, 1952:

The fact is that he was not investigated by the FBI prior to being sworn in as an employee of the Office of Defense Mobili-

In a preceding letter by Mr. Wilson I was advised that the customary rule requiring persons appointed to such positions be cleared was not followed. This case is the only exception of which I know.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield for another question?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Does the Senator from Delaware know how this was accom-

Mr. WILLIAMS. I put the same question to Mr. Wilson. In a letter dated February 28, 1952, I was advised-and I now quote from the letter:

Mr. Lamb was recommended for the position by Gen. Harry Vaughan.

Mr. BUTLER. Is that the General Vaughan who was the personal aide to Harry S. Truman, former President of the United States?

That is correct. Mr. WILLIAMS.

Mr. BUTLER. Do I correctly understand that the personal aide to the then President of the United States placed a man who had connections with the underworld in one of our defense establishments, with a top secret rating?

Mr. WILLIAMS. No; that man was given a "secret" rating; however, another individual who controlled the company that sent him to Washington and who did have a direct connection with the Costello gang, did get top secret clearance. It should be said, as to the background of this man who got secret clearance that I know nothing other than the fact that he was a representative of a company in New York which was definitely organized with money from members of the underworld and that clearance was given to him without an FBI check, and apparently solely upon the recommendation of General Vaughan.

Mr. President, recognizing the seriousness of these charges, we immediately re-ported the charge to the agencies affected and began to check. Today we are in a position to render a report.

First, I wish to discuss how top-secret clearance was given by the United States Army to an individual who not only has an unsavory record of his own, but also was definitely established as having financial connections with prominent members of the Frank Costello gang. The name is Louis I. Pokrass, 115 Central Park West, New York City.

Mr. BUTLER. Mr. President, will the Senator from Delaware vield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. I know the reputation for accuracy of the Senator from Delaware, and I know he has never made a statement on this floor that he could not back up and document. Is it the statement of the Senator from Delaware at this time that this man did have topsecret clearance?

Mr. WILLIAMS. The man I am discussing now, Mr. Pokrass, did get topsecret clearance, and I can definitely establish here, today, the fact that he was financially connected with members of the underworld, including Frank Costello, Meyer Lansky, and Bugsy Siegel. and so forth.

Louis I. Pokrass was born in Korsun, Russia, July 17, 1898. He came to the United States in either 1913 or 1914; enlisted in the United States Navy in 1918; was naturalized in New York City on September 5, 1918; received an honorable discharge from the Navy in 1919; and has resided in New York since that time.

During the prohibition era Mr. Pokrass was arrested four times for violations of the National Prohibition Act, with the charges being dismissed in each instance.

After the repeal of the Prohibition Act, Mr. Pokrass joined other individuals, most of whom had questionable backgrounds, in organizing numerous wholesale and retail liquor establishments.

During the succeeding years the records show that at periodic intervals Mr. Pokrass or his companies were involved in numerous conflicts of the law. One particular case involved a serious charge of floor-stock-tax evasion on the part of the Capitol Wine & Spirits Corp., under which name they were at that time operating, and resulted in recommendations for criminal prosecution, as well as civil liability. On July 3, 1942, he successfully negotiated a compromise settlement with the Department of Justice, wherein he paid \$95,000 in lieu of further civil liabilities; and an additional \$5,000 was paid to the Department of Justice in lieu of criminal prosecution.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Does the Senator from Delaware know who investigated those charges and who made that settlement?

Mr. WILLIAMS. I am going to incorporate in the RECORD a letter from the Department of Justice outlining the complete details.

Mr. BUTLER. Does the Senator from Delaware feel that any further investigation should be made of that phase of the matter?

Mr. WILLIAMS. I shall place this case in the RECORD; and I think it would be well for every Member of Congress to review the case and also to have it reviewed by the congressional committees

that are responsible. In the public hearings held by the Kean subcommittee last year the record showing how Mr. Pokrass made various payments and gifts, including two \$1,000 checks, a new car, and a fur coat to Carroll Mealey, Deputy Commissioner of Internal Revenue, who was then serving as Chief of the Alcohol Tax Unit, was fully documented and exposed. These payments were made during a period when Mr. Pokrass had an application pending before Mr. Mealey's department.

Mr. BUTLER. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Did Mr. Mealey have anything to do with the settlement of the floor-tax case?

Mr. WILLIAMS. No, not the floortax case.

Mr. BUTLER. The Senator is now referring to another case?

Mr. WILLIAMS. This is another case, in which the Kean subcommittee developed that Mr. Pokrass had made various payments of the nature described to Mr. Mealey, who was then chief of the Alcohol Tax Unit.

We also developed later from our record that Mr. Mealey intervened in this case in what might be considered a rather irregular manner and obtained a favorable decision for Mr. Pokrass.

Mr. BUTLER. The floor-tax case would have been handled through Mr. Mealey's tax unit, would it not? Mr. WILLIAMS. Yes, but Mr.

Yes, but Mr. Mealey was not connected with it at that time. I do not think Mr. Mealey had anything to do with the other case.

In 1952 Mr. Pokrass successfully dodged the subpena issued by the King subcommittee, which at that time was attempting to check this same transaction.

In addition to an unsavory record of his own including numerous conflicts with the law and the bribery of a public official the record also shows that Mr. Pokrass had been directly connected with some of the country's most notorious underworld characters.

In 1946 Mr. Pokrass joined Benjamin (Bugsy) Siegel in building the Flamingo Hotel in Nevada. Mr. Pokras put up \$250,000 in this venture.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Maryland.

Mr. BUTLER. Did not Mr. Siegel meet a very untimely death at that very hotel?

Mr. WILLIAMS. That is correct.

Mr. BUTLER. And he was one of the partners with Frank Costello, Pokrass and others interested in this defense plant?

Mr. WILLIAMS. Mr. Siegel was not interested in the defense plant, but Pokrass was connected with Mr. Siegel in the Flamingo Hotel. I cited that solely to show the connection of that individual with these prominent members of the underworld and that they did have financial connections through the years.

Mr. BUTLER. Can the Senator show that they had a financial interest in this company?

Mr. WILLIAMS. Frank Costello and others had a financial interest in this company when it was established. That can be definitely shown, although there is the claim that prior to taking the defense contracts Pokrass had purchased their interest.

Mr. BUTLER. In any event, at some time during the history of the company persons financially interested, including Bugsy Siegel-

Mr. WILLIAMS. No; they did not include Bugsy Siegel in this company which got the defense contract. They included Frank Costello, Meyer Lansky, and it was reported Joe Adonis-and Mr. Pokrass.

Mr. BUTLER. We do know that the company itself, or Mr. Pokrass, the head of the company, had a top secret clearance for our defense secrets, and we know that Mr. Lamb had a secret clearance for our defense secrets.

Mr. WILLIAMS. That is correct.

Mr. BUTLER. Not only that, but he had a key position in our Defense Establishment, at the appointment, apparently, of General Vaughan, who was the aide to the President of the United States.

Mr. WILLIAMS. That is correct, although there is a claim that these individuals had separated from this company prior to the time of these latter happenings. Nevertheless, that claim does not remove the fact that an associzte of these men, a man who had an unsavory record of his own, was given a top secret clearance and he was represented in the Office of Defense Mobilization. That was a dangerous situation.

In 1947 Mr. Pokrass became interested in television and organized the Consolidated Television Corp. On November 10, 1948, the name of this company was changed to the Tele-King Corp. Mr. Pokrass was a top official and principal figure in both companies.

On October 11, 1951, Mr. George Goldstein, certified public accountant, Newark, N. J., testified before the Kefauver crime committee to the effect that Frank Costello, under the name of his attorney George Wolf, was a stockholder with this same Mr. Pokrass in the Consolidated Television Co., the predecessor company for Tele-King.

On March 21, 1951, Frank Costello, under oath before the Kefauver crime committee, confirmed that both he and Meyer Lansky had joined Louis I. Pokrass in financing this television company, and, according to his testimony, he later sold his interest to Louis Pokrass.

On February 14, 1951, Meyer Lansky, another notorious racketeer and member of the Costello gang, when testifying under oath before the Kefauver crime committee in New York City, likewise confirmed that both he and Costello had invested in this television company, of which Louis Pokrass was the principal figure. Mr. Lansky in his testimony on that same date stated that Joe Adonis was also a partner in the company, although I should say at that point that this is the only information I have with reference to Joe Adonis.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. A moment ago the Senator mentioned an address in New York. Is that the address of another notorious underworld character, other than the man to whom the Senator is now referring?

Mr. WILLIAMS. I was about to make the statement that during this period the listed address of Louis I. Pokrass was 115 Central Park West, New York City, which address was exactly the same as that of Frank Costello.

On February 13, 1952, an FBI report containing practically all this information regarding the background of this group was submitted to the White House. However, it was not until December 9, 1952, that any action was taken to revoke a "top secret" clearance which had been granted to Mr. Pokrass.

I may say that since I prepared this speech, and just before I started speaking, Lieutenant Colonel Walker, from the Defense Establishment, called my office. While at first the Defense Department was unable to establish the fact that there was a top secret clearance for Mr. Pokrass, and while I am incorporating in the RECORD today a letter in which the Defense Establishment officials said that this individual received no more than secret clearance, I was advised just a few minutes ago that they had reexamined their files since I insisted that he had been given top secret clearance, and they now find that I am correct in my statement.

Later today I will incorporate in the RECORD their letter confirming this one remaining question.

Mr. BUTLER. Mr. President, will the Senator yield before reading the memorandum?

Mr. WILLIAMS. I yield.

Mr. BUTLER. The Senator said this information had been sent to the White House. Tell us again when it was sent.

Mr. WILLIAMS. February 13, 1952. Mr. BUTLER. When was action taken

upon it? Mr. WILLIAMS. The clearance was not revoked until December 9, 1952.

Mr. BUTLER. Almost a year after the information was sent to the White House?

Mr. WILLIAMS. That is correct.

Mr. BUTLER. As a member of the Internal Security Subcommittee I have heard of instances similar to that. Indeed, several cases in which information was sent to the White House during the last administration and nothing was done about it. Does not that point up the need for a Senate committee or committees to keep track of some of these things, to see that the executive departments do not fall down in instances of this kind?

Mr. WILLIAMS. Unquestionably there is weakness or laxity somewhere. I fail to find any reasonable excuse for what happened. Remember that at the time this took place we were in the midst

of the Korean war.

Mr. BUTLER. It is almost inconceivable that it could have happened in the first instance; but when it was brought to the attention of the White House, it is completely inexcusable, in my opinion, that the situation was permitted to continue for almost a year without being remedied.

Mr. WILLIAMS. The memorandum which was dictated to my secretary this morning was to the effect that on March 20, 1951, Louis I. Pokrass was given "top secret" clearance, and that on May 26, 1951, that clearance was changed to secret clearance. However, he retained his "secret" clearance until December 9, 1952.

Mr. BUTLER. If the Senator can do it, will he please define, for the benefit of the American public, what "top secret"

Mr. WILLIAMS. It is my understanding that it is the highest clearance that

can be given any civilian.

Mr. BUTLER. It is the very highest classification; and a man with top-secret clearance can see secret documents, no matter how vital they may be to the defense of this great country. Is not that true?

Mr. WILLIAMS. That is my understanding—even including documents which are not available to Members of Congress.

Mr. CASE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CASE. Was the party in question cleared for receiving all top-secret information or for receiving contract specifications of a top-secret character?

Mr. WILLIAMS. Contract specifications, which makes a difference, as the Senator knows.

Mr. CASE. In view of the facts and circumstances which the Senator from Delaware has related, would he say that

Mr. CASE. Yes; there is a difference. To be wholly accurate, it is possible that this man was given the right to examine contract specifications of a top-secret character, and it does not necessarily mean that he had access to all topsecret information.

Mr. WILLIAMS. That is correct. However, the Senator from South Dakota knows that top-secret clearance, even to that extent, does give an indi-vidual the right, as a prospective contractor, to examine the top-secret work which this country is considering. That can include radar or work in the atomic

Mr. CASE. Yes; I would agree to that. It points up a very disturbing situation, when a man of such character, unreliable, or at least undesirable, should have access to that type of information.

Now I should like to ask the Senator, reverting to the question asked by the Senator from Maryland [Mr. BUTLER] some time ago, whether I understand correctly that Mr. Pokrass was given this position and this access to top-secret contractual specifications on the recommendation of General Harry Vaughan.

Mr. WILLIAMS. No; I do not know how Mr. Pokrass got it; however, his repsentative who was employed in the Office of Defense Mobilization was endorsed by General Vaughan.

Mr. CASE. How did Vaughan get into the picture?

Mr. WILLIAMS. There are two different individuals about whom we are speaking. Mr. Pokrass is the only one who received top-secret clearance. As to whether his clearance was as a result of an FBI check I do not know.

Mr. CASE. How did Vaughan get into it?

Mr. WILLIAMS. The other individual, Mr. Franklin Lamb, was a representative of the company which was owned by Mr. Pokrass, which company was operating on a defense contract. He got a position as an assistant to Mr. Charles E. Wilson, of the Defense Mobilization Office. He received that clearance without any FBI check, based on the recommendation of Gen. Harry

Mr. CASE. Is it suggested that Harry Vaughan was taking the place of the FBI in providing clearance for that man?

Mr. WILLIAMS. I read the statement of facts as I found them.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield. Mr. BUTLER. While that individual was holding the position with the ODM he was also drawing a salary from the company, was he not?

Mr. WILLIAMS. That is correct to the extent that he was on a per diem basis.

Mr. BUTLER. In other words, he was drawing a Federal salary and at the same time was drawing a salary from his company.

Mr. WILLIAMS. That is correct. Mr. CASE. Mr. President, will the

Senator yield?

Mr. WILLIAMS. I yield.

some of us were justified in objecting to the confirmation of the appointment of Gen. Harry Vaughan to the permanent rank of major general, when that promotion came before the Senate last year?

Mr. WILLIAMS. As one who objected at that time, I certainly have found nothing since then to change my opinion

about him.

Mr. CASE. As a member of the Committee on Armed Services I objected to the consideration of the nomination.

Mr. WILLIAMS. I shall now read an excerpt from a letter addressed to me by Mr. Charles E. Wilson, of the Office of Defense Mobilization, dated February 28, 1954, in which he outlines the procedure which was customarily followed in selecting personnel. He says:

All employees of the Office of Defense Mobilization are subjected to complete background investigations conducted either by the Federal Bureau of Investigation or the Civil Service Commission. Mr. Lamb's full field investigation failed to disclose any derogatory information whatsoever concerning him or his past activities.

Now I should like to read from another letter, also written by Mr. Charles E. Wilson, of the Office of Defense Mobilization. It is dated March 31, 1952, and reads in part as follows:

With respect to your second question as to whether or not he was cleared-

That is, Mr. Lamb

by the FBI prior to employment, the fact is that he was not investigated by the FBI prior to being sworn in as an employee of the Office of Defense Mobilization.

It was also pointed out in this correspondence that Mr. Lamb was recommended to the Office of Defense Mobilization by Gen. Harry Vaughan.

A short review of Mr. Pokrass' record shows that he entered this country as an immigrant from Russia at the approximate age of 15. Throughout his entire life he has been in numerous conflicts with the law-first as a four-time alleged violator of the National Prohibition Act and later as he attempted to operate various liquor companies after the repeal of the act. With this unsavory record of Mr. Pokrass as outlined above-most of all which has been public information—and the fact that under dates of February 14, 1951, and March 13, 1951, such notorious racketeers as Frank Costello and Meyer Lansky had publicly testified before the Kefauver Crime Committee of their business association with Mr. Pokrass, I was amazed to find that just a few weeks later, on March 20, 1951, this same Louis I. Pokrass, as chairman of the board of directors of the Tele-King Corp., was granted clearance for employment on or access to top-secret contracts and information by the Department of the Army.

In a letter dated June 26, 1954, signed by Lt. Col. L. H. Walker, Chief, Staff Operations Branch, Department of the Army, he confirmed that Mr. Pokrass on March 20, 1951, had been cleared for secret contracts and information. However, I have good reason to repeat my statement that the original clearance of Mr. Pokrass on that date was not just secret clearance but top-secret clearance. I do not think the accuracy of that statement will be challenged.

Just a few minutes before I began to make my speech, as I related before, I received a telephone call from Lieutenant Colonel Walker, in which he said that a reexamination of the records confirmed the fact that he was in error in his letter when he said Mr. Pokrass had received only secret clearance, and that he found that the original clearance which Mr. Pokrass had was top secret. I will later today incorporate that letter in the Record.

I shall now incorporate in the Record the basis of my charge that Mr. Pokrass originally financed his entrance in the television business with the assistance of some of the country's most notorious racketeers. I shall also incorporate in the Record reports of how this company during the Korean war was awarded approximately \$7 million in Government contracts at prices averaging nearly 20 percent higher than other responsible bids.

More complete information regarding Mr. Pokrass' background can be substantiated from the records of the hearings of the Kean subcommittee held in early 1953.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. As a member of the Committee on Interstate and Foreign Commerce, which has jurisdiction of matters affecting the dissemination of information on television and other means of communication, I would be interested in knowing whether or not this man is now engaged in the television business and whether he now operates a television station.

Mr. WILLIAMS. The company is now in bankruptcy. Whether or not they went out of the television business or continued after getting the Government contracts, I do not know. I shall incorporate in the RECORD a series of reports which will show that this company, after getting the first Government contract, in the amount of approximately \$31/2 million, and at a price approximately 20 percent higher than the price at which another contractor was making the same product for the Defense Department, applied for a \$2 million loan from the Federal Reserve Board. This was rejected on the basis of a weak financial position and, as the Board said, for "other unsat-isfactory features." The Board did not describe those features.

Later, the Defense Establishment, to help out this company, adopted a procedure whereby, through the advancepayment plan, money was furnished to the company. It was, in effect, the lending of money without a note.

Mr. BUTLER. Was that through the Small Defense Plant Administration?

Mr. WILLIAMS. I assume so. At any rate, it was through one of the Government establishments, and I believe that was the one.

Mr. BUTLER. Does the Senator's investigation show that the company actually had a license to make television or radio broadcasts?

Mr. WILLIAMS. Not to my knowledge.

Mr. BUTLER. It never had?

Mr. WILLIAMS. No.

Mr. BUTLER. It would be amazing to me if the Federal Communications Commission should issue a license to it.

Mr. WILLIAMS. No; this was a manufacturing concern only. It later went into bankruptcy. A few weeks ago I was advised that about a half million dollars' worth of work on the original \$7 million worth of contracts remains to be delivered, against which we have advanced payments of about \$200,000 outstanding.

It should be remembered also that this company was originally awarded these \$7 million in defense contracts at a price which cost the taxpayers over \$1 million over that which they could have been bought from more responsible sources.

Mr. President, I ask unanimous consent to have incorporated in the RECORD a letter dated June 26, 1954, signed by Lt. Col. L. H. Walker, in which is confirmed the fact that on March 20, 1951, Mr. Pokrass received clearance for access to secret information. I also ask unanimous consent to have incorporated in the RECORD a photostatic copy of the alleged original clearance which shows that Mr. Pokrass received clearance for access to secret contracts. However, as I said before, it has been confirmed this morning that this is not the original, that it is a changed copy. Top-secret clearance was given on that date rather than just secret as indicated in this report.

I ask unanimous consent that both these communications be incorporated in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

DEPARTMENT OF THE ARMY.

OFFICE OF THE CHIEF OF STAFF,

Washington, D. C., June 26, 1954.

Hon. John J. Williams,

United States Senate.

DEAR SENATOR WILLIAMS: With respect to your oral request concerning the current clearance status of the Tele King Corp. and some of its officers, the following information is submitted:

a. The Tele King Corp. was granted a secret clearance by the Office of the Provost Marshal General on February 26, 1951. Consent for employment on or access to secret contracts and information was also granted to Calvin E. Bell, Scott W. Donaldson, Franklin Lamb, Warren J. Oestreicher, Harvey L. Pokrass, and Louis I. Pokrass on the same date (inclosure 1).

b. On March 20, 1951, Headquarters, First Army, also issued a letter of consent for access to secret information and material to Louis I. Pokrass (enclosure 2).

c. On the basis of information subsequently developed relating to the suitability of Louis I. Pokrass for access to classified information, his clearances and that of the Tele King Corp. were revoked on December 9, 1952. No formal revocation action was necessary on the other five individuals as their clearances as officers of the Tele King Corp. automatically become invalid when the facility's clearance was revoked.

d. No appeal action is now pending and the revocation of the clearances of Louis I. Pokrass and the Tele King Corp. remains in effect.

The foregoing embodies all information that I have been authorized to make available at this time regarding security determinations involving this firm.

Sincerely,

L. H. WALKER,
Lieutenant Colonel, GS, Chief, Staff
Operations Branch Office Chief
Legislative Liaison.

HEADQUARTERS, FIRST ARMY, Governors Island, N. Y., March 20, 1951. TELE KING CORP.,

New York, N. Y.

(Attention: Personnel manager.)
GENTLEMEN: Reference is made to the personnel security questionnaire recently submitted by your company in the case of the citizen whose name appears hereon.

In conformance with SR 380-405-1, consent is hereby granted for employment on or access to secret contracts and information of the Department of the Army in the case of the following citizen. This grant of consent is subject to the conditions and requirements set forth on the reverse side hereof.

Porkass, Louis I., chairman, board of directors, SSN: 109-03-8223.

By authority of the Secretary of the Army: E. P. PARKER.

Major General, USA,
The Provost Marshal General.
(Not valid unless authenticated by the appropriate continental army commander.)

For the Army commander:

KENNETH J. WHITE,

Major, AGC, Adjutant General.

CONDITIONS AND REQUIREMENTS

1. Consent granted for the employment of an individual is your authorization to utilize the service of the individual on aeronautical and classified (secret, confidential, or restricted as indicated in each consent letter). Army contracts being performed by you within the geographical limits or under the jurisdiction of the continental army from which you received the consent.

2. Before you may employ an individual on contracts of the type described above, within the geographical limits or under the jurisdiction of another command, consent must be obtained by request submitted to the command in which, or under the jurisdiction of which, the individual is to be employed. The request must be accompanied by a photostatic or certified copy of the original letter of consent and a new alien questionnaire (NME form 49) or personal security questionnaire (NME form 48), whichever is applicable.

3. If information comes to your attention which indicates that your employment of the individual is, or may be, inimical to the interests of the United States, you are required promptly to make complete report to the office from which you received the consent letter, in order that appropriate action may be taken.

4. All correspondence or inquiries in connection with this matter should be directed to the office from which you received the consent letter.

E. P. PARKER, Major General, USA, The Provost Marshal General.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have incorporated in the Record excerpts from the testimony of Meyer Lansky as given before the Kefauver crime committee under date of February 14, 1951, in which he confirms his partnership with Mr. Pokrass.

There being no objection, the excerpts from testimony of Meyer Lansky

were ordered to be printed in the RECORD. as follows:

Mr. HALLEY. Were you ever in any business with Zwillman? Were you in this television outfit, Consolidated Television?

Mr. LANSKY. Yes; I was.

Mr. Halley. Will you tell the committee the story of Consolidated Television, what was that all about?

Mr. Lansky. Well, to the best of my knowledge, because we had the knowledge of distribution of juke boxes, I think Ed Smith was approached to form a-what do you call it-he claimed he had two good mechanics for television, and they formed a company, and we took an interest in it.

Mr. Polakoff (his attorney from New York City). You bought stock?

Mr. LANSKY. Yes; we bought stock. The CHAIRMAN. I think for the benefit of

the reporter this is very difficult for him to

get. Please speak up.

Mr. Lansky. I am sorry. We started to build television sets and I think that we went in at the wrong end of it. We thought that the commercial end was the best part. We should have gone into the home-set end, and maybe I would have been a very rich man today.

Mr. HALLEY. What were you making them for, bars and restaurants?
Mr. Lansky. At that time they were mostly You did not have-what do you for bars. call it-those reel cabinets, you just bought

Mr. HALLEY. Who was this that approached Ed Smith?

Mr. LANSKY. Pokrass.

Mr. HALLEY. Pokrass had the Air King Co., too, did he not?

Mr. Polakoff. The Tele-King; is it not? Mr. Halley, Tele-King? Mr. Lansky. I do not know if he changed the name, but I think that we opened it up as Tele-King. What it is today, I could not

Mr. HALLEY. That was with Pokrass, too? Mr. Lansky. He approached them on the assumption that we were acquainted in the field and we knew all the distribution points. We knew every place that had a juke box, and that would be a good place to have television.

Mr. HALLEY. Now, getting back to television, who else was in Consolidated?

Mr. Lansky. There was Pokrass, there was Ed, there was Bill Bye, there was myself, and there was Costello in there. He bought a piece, but he did not buy it from my doings.

Mr. Polakoff. When you say that, you

mean he bought stock?

The CHAIRMAN. Let's all talk a little louder. I can tell that the reporter just cannot hear you.

Mr. Halley. Costello was in it? Mr. Lansky. Yes; he bought stock. Mr. Halley. And Joe Adonis was in it, was

he not?

Mr. LANSKY. He bought some stock.

Mr. Halley. How much money did you invest in it?

LANSKY. I think about \$15,000 or Mr. \$16,000.

Mr. HALLEY. Did you get any back?

Mr. LANSKY. Nothing.

Mr. HALLEY. The whole thing was a flop? Mr. LANSKY. That part of it was, but I

understand it is successful now. Mr. HALLEY. You mean Tele-King is now successful?

Mr. LANSKY. That is what I understand.

Mr. Halley. And you no longer have any connection with it?

Mr. Lansky. No. Mr. Halley. Do you know whether Adonis or Costello have any present connection with it?

Mr. Lansky. No; the whole company busted up, and he went ahead with it on his own, as I understand it, at the time, be-

cause nobody else cared to invest any money in it, and Bill Bye and Smith and I, we did not want to go any further, and we quit.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have incorpor-ated in the RECORD excerpts from the testimony of Frank Costello as given before the Kefauver committee on March 13, 1951, in which he too confirms the fact that he was in investor in this company with Mr. Pokrass.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Mr. HALLEY. Now, what other legitimate businesses do vou have?

Mr. Costello. None at present.

Mr. Halley. Well, you did have a television company; is that right?

Mr. Costello, Yes.

Mr. HALLEY. What was that?

Mr. Costello. I didn't have a television I bought an interest. I bought company. some stock.

Mr. HALLEY. In what company? Mr. Costello. I believe it's the Tele King. Mr. HALLEY. And who were your partners there?

Mr. Costello. Louis Pokrass.

Mr. HALLEY. And who else?

Mr. Costello. I made an investment in there. I happened to know the gentleman. I invested around \$20,000. Then later I found out—which was later—that Meyer Lansky had also an interest.

Mr. HALLEY. And did you also find out that

Joe Adonis had an interest?

Mr. COSTELLO. No.

Mr. HALLEY. You still don't know that he had an interest?

Mr. Costello. I still don't know if he had an interest.

Mr. HALLEY. And if the testimony is that he had an interest, you wouldn't doubt it, though, would you?

Mr. Costello. Well, not coming from

The CHAIRMAN. Mr. Costello, either sit a little nearer the mike, or bring it a little closer to you.

Mr. HALLEY. How did you find out that Meyer Lansky had an interest?

Mr. Costello. I believe I met him one day, and I told him, and he says, "Well, the funny part is I made an investment also," in that particular company

Mr. HALLEY. You know Joe Adonis pretty

well, too, don't you?

Mr. Costello. Yes, sure.

Mr. Halley. Didn't he ever happen to mention to you that he made an investment

Mr. Costello. Never.
Mr. Halley. What came of that investment, the \$20,000?

Mr. Costello. I believe they wanted be to invest a little more money there, or loan the company some money; which I wouldn't; I didn't have much confidence in this.

They told me, would I relinquish part of my stock which I did. And they returned

me part of my money back.

Then, later, I turned my stock in and they paid me back in full.

Mr. Halley. You got your \$20,000 back? Mr. Costello. Yes.

Mr. Halley, From Mr. Pokrass? Mr. Costello. Yes.

Mr. HALLEY. Where was that company located?

Mr. Costello. It is located on Ninth Avenue. I have never been up there.

Mr. WILLIAMS. It is interesting to note that Mr. Costello's testimony was given on March 13, 1951, and that 7 days later, on March 20, 1951, Mr. Pokrass was given his "top secret" clearance by the Army.

Mr. President, I now ask unanimous consent to have incorporated in the RECORD a letter from the Department of Justice, under date of February 16, 1953, outlining the settlement of a case by Mr. Pokrass, wherein he paid \$95,000 in lieu of forfeiture and \$5,000 in lieu of criminal prosecution.
Mr. LANGER. Mr. President, will the

Senator from Delaware yield?

Mr. WILLIAMS. I yield. Mr. LANGER. May I have the name of the writer of the letter?

Mr. WILLIAMS. It was the attorney general who confirmed this setlement.

Mr. LANGER. I want only the name of the man who signed the letter for the

Department of Justice.

Mr. WILLIAMS. Mr. Brownell; however, he refers to about 12 individuals involved, and in the absence of knowing the exact individual who was responsible for the settlement, I would rather the Senator would read the letter. I know what the Senator has in mind, and I think the responsibility should be placed at some particular point; however, I do not have the information.

Mr. President, I ask unanimous consent that the letter of February 16, 1953. from the Department of Justice to which I have just referred be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD.

as follows:

DEPARTMENT OF JUSTICE, Washington, D. C., February 16, 1953. Hon. JOHN J. WILLIAMS,

United States Senate, Washington, D. C.

MY DEAR SENATOR: Reply is made to your letter of January 26, 1953, making inquiry regarding the acceptance on July 8, 1942, of a \$100,000 compromise offer from the Capitol Wine & Liquor Corp., of New York, respecting certain liability allegedly incurred through violations of the floor-stocks tax laws. It is assumed that you refer to offers totaling that amount accepted from the Capitol Wine & Spirit Corp., of New York, on July 3, 1942.

The following concerns that settlement which related to the alleged law violations in connection with the floor-stocks tax of 75 cents per proof-gallon on certain distilled spirits allegedly held for sale by the Capitol Wine & Spirit Corp. on July 1, 1940. This tax was imposed by the Revenue Act of 1940, approved June 25, 1940, as an amendment to section 2800, Internal Revenue Code. Under that act this tax was made payable on or before August 1, 1940. Although the act was silent in respect to making of an inventory, the Secretary of the Treasury by regulations (TD-4976) issued June 26, 1940, required all persons so holding liquor to make an inventory thereof before commencing business on July 1, just 5 days later.

As the result of an investigation at the premises of the Capitol Wine & Spirit Corp. on July 1, 1940, agents of the Alcohol Tax Unit ascertained that 20,577.90 proofgallons of distilled spirits discovered that morning on a number of trucks, some in garages and others parked on the streets of New York, were not included on an inventory of the liquor held by this corporation, a large-scale wholesale liquor dealer. ure of this liquor and the trucks was made by the Alcohol Tax Unit as having been used with intent to defraud the revenue of the floor-stocks tax amounting to \$15,433.42. However, declaration of this liquor was made to the appropriate revenue office on or be-fore August 1, 1940, and the tax on this liquor was paid within the time prescribed

by the law. Thereafter, on December 14, 1940, the case was reported to the United States attorney for the southern district of New York by the New York office of the Alcohol Tax Unit with a recommendation for prosecution and a statement that the investigation was continuing. A libel was filed against the seized property, but no indictment was returned.

Complying with the specific requests in your letter, you are informed that—

1. There was no tax due at the time the

offer was accepted, the \$15,433.42 having been paid timely. Consequently there was no assessment of taxes or tax penalties.

2. The accepted compromise offer em-

braced forfeiture liability of liquor valued at between \$100,000 and \$130,000 and 5 trucks having a value of about \$2,500 and criminal liability. This liquor, if forfeited, could not have been sold in view of section 2805, Internal Revenue Code. Previous of-fers ranging from \$9,855.60 to \$60,000 were

rejected by the Attorney General.

3. The total of the offers accepted was \$100,000—\$95,000 being in lieu of forfeiture and \$5,000 in lieu of criminal prosecution. The proponent also paid storage charges of

over \$700.

4. The following names or initials of attorneys or officials appear in the Department's file as having recommended or approved the acceptance of these offers:

(a) Initials E. N. B., believed to be those of Earl N. Bishopp, assistant United States attorney, southern district of New York.

(b) Mathias F. Correa, then United States attorney, southern district of New York.

(c) S. S. Haggerty, then attorney, Bond and Spirits Division.

(d) Julian D. Simpson, then Chief, Compromise Section, Bond and Spirits Division.

(e) Harry B. DeAtley, then Assistant to the Director, Bond and Spirits Division.

(f) Joseph Lawrence, then Director, Bond

and Spirits Division.

(g) Initials M. D. K., believed to be those Mahlon D. Kiefer, then attorney, Criminal Division.

(h) Initials H. A. F., believed to be those of Hugh A. Fisher, then attorney, Criminal Division.

(i) Wendell Berge, then Assistant Attorney General, Criminal Division.

(i) J. R. Benney, then attorney, Assistant Solicitor General's office.

(k) Initials N. A. T., believed to be those of N. A. Townsend, then attorney, Assistant Solictor General's office.

(1) Oscar Cox, then Assistant Solicitor General.

The offers were accepted July 3, 1942, initials F. B., assumed to be those of Francis Biddle, then Attorney General.

It is trusted that the above sets forth the information sought. Should further data respecting basis for this settlement as revealed by the Department files be desired, it will be made available at your request.

Sincerely.

Attorney General.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have incorporated in the RECORD the secret clearance which was given to the Tele-King Corp., and the officials connected with the company.

There being no objection, the clearance was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY, OFFICE OF THE PROVOST MARSHALL GENERAL.

Washington, D. C., February 26, 1951. TELE-KING CORP.,

New York, N. Y.

GENTLEMEN: Reference is made to the personnel security questionnaires recently

submitted by your company in the case of the citizens whose names appear herein.

In conformance with SR 380-405-1, consent is hereby granted for employment on or access to secret contracts and information of the Department of the Army in the case of the following citizens. This grant of con-sent is subject to the conditions and requirements set forth on the attached page.

Bell. Calvin E. Donaldson, Scott W. Lamb, Franklin. Oestreicher, Warren J. Pokrass, Harvey L. Pokrass Louis T

By authority of the Secretary of the Army: E. P. Parker, Major General, USA,

the Provost Marshal General. Authenticated by:

M. J. FITZGERALD. Colonel, MPC, Executive Officer.

Mr. WILLIAMS. Mr. President, under date of March 13, 1953, I addressed a letter to Maj. Gen. George I. Back, Chief Signal Officer, Department of the Army, making inquiry with reference to a list of all Government contracts during the past 5 years which the Defense Department had given the Tele-King Corp. Under date of April 2, 1953, I received a reply thereto giving a breakdown of six contracts totaling, in the aggregate, \$6,926,874.78, and spreading over a period from April 30, 1951, to August 6, 1952. In that breakdown it is shown that the first contract of approximately \$31/4 million was given to the Tele-King Corp. on the basis of a per unit charge of \$1,578.49. They purchased the same product from the Lewyt Corp., in New York, for \$1,256.39. There were three other intermediate bids all of which were lower than the bid of the Tele-King Corp. In addition, in the year 1952, this company received a little more than \$21/4 million worth of contracts. This con-tract was awarded to the Tele-King Corp. at a price basis of \$1,593.82 per unit, while the Lewyt Corp. on exactly the same date was given another contract at a unit price of \$1,407.49.

Mr. President, I ask unanimous consent that my letter to Major General Back, of March 13, 1954, and the reply thereto, outlining all these contracts and the manner of payments as they were made by the Government, be incorporated at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD,

as follows:

MARCH 13, 1953.

Maj. Gen. George I. Back, Chief Signal Officer, Department of the Army,

Washington, D. C.

Dear General Back: Will you please furnish me with a complete list of all Government contracts during the past 5 years with

with the information I want the dollar volume, a description of the material purchased, the date of the contract, a record of deliveries, and a record of the payments made either as advancements or upon delivery. Also, please advise the amount of pending contracts with this company and the amount of advancements which might have been made against future deliveries.

This company to which I have referred is the one represented by Louis I. Pokrass, Franklin Lamb, and others.

Should your particular procurement division not have any record of purchases with this company, would you advise me what other agency of the Government might have been doing business with them. Likewise in the event you do have some purchases and know of any other agency of the Government which has also utilized their services, please advise.

Yours sincerely,

JOHN J. WILLIAMS.

-To assist in expediting this report I list what I understand might be some contract numbers: DA-36-039-SC-9384; No. 3142-PH-51-01.

DEPARTMENT OF THE ARMY, Office of the Chief Signal Officer, Washington, D. C., April 2, 1953. Hon. John J. Williams, United States Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter of March 13, 1953, relative to Signal Corps contracts awarded the Tele-

King Corp. of New York and to our interim reply of March 16, 1953.

The enclosed chart lists all the Signal Corps contracts awarded to the Tele-King Corp., and the information you requested. It should be noted that the outstanding balances for the first two contracts appearing on the chart represent spare parts not yet delivered, and accounts receivable for goods already shipped. The end items on these contracts were delivered on schedule.

Reference is also made to your telephone conversation on March 27, 1953, with Mr. John E. Pernice of this office in which you asked for the additional information set forth

The contracts awarded to Tele-King Corp. were entered into as a result of negotiation without formal advertising. The contract prices of the producers of the AN/GRC-9 for the years 1951 and 1952 are indicated by the following table:

1951 CONTRACTS

Contractor	Date of contract	Unit price
Lewyt Corp., New York Crosley Division, AVCO	June 18, 1951	\$1, 256. 39
Manufacturing Corp., Ohio. Hoffman Radio Corp., Cali-	June 30, 1951	1, 403. 69
fornia. Crosley Division, AVCO	do	1, 550. 00
Manufacturing Corp., Ohio. Tele-King Corp., New York.	June 16, 1951 Apr. 30, 1951	1, 574, 50 1, 578, 49

1952 CONTRACTS

Lewyt Corp., New York Do Tele-King Corp., New York	Apr.	4, 1952	1, 447, 71
Crosley Division, AVCO Manufacturing Corp., Ohio	Feb.	8, 1952	1, 605, 87

Sources in addition to Lewyt Corp., the bidder, were required under a policy directive from the Secretary of Defense, dated December 18, 1950, which stated, "It is essential, in complying with those instructions, that contracts be spread across industry as widely as possible in order to broaden the industrial base of our procurement program." The directive also stated, "Whenever time permits, and in order to broaden the mobilization base, additional contractors should be utilized in lieu of multishift or overtime operation.'

It is the understanding of this office that the Munitions Board is handling your inquiry as to the contracts the other services may have awarded the Tele-King Corp.

If you desire any further information, please do not hesitate to write.

Sincerely yours,
ROBERT B. TOMLINSON, Lieutenant Colonel, Signal Corps Executive.

¹ May be listed as the Tale King Corp.

Contract information Tele-King Corp., Mar. 20, 1953

Contract No.	Dollar value	Item	Date of contract	Delivery—Sched- uled for completion	Payments made to date	Pending delivery or accounts receivable
DA-36-039-SC-9384 (order No. 3142-PH-51) DA-36-039-SC-30754 (order No. 15174-PH-52)	2, 730, 532. 00	Radio set (AN/GRC-9), with spare parts. Go Facilities contract.	Apr. 30, 1951 Jan. 31, 1952 June 30, 1952	August 1952	\$3, 151, 742, 42 1 292, 520, 88 2, 249, 868, 22 2 100, 992, 73 21, 866, 34	\$388,590.94. \$480,663.78. \$5,067.51.
DA-36-639-SC-40319 (order No. 20888-PH-52) DA-36-039-SC-38188 (order No. 29177-PH-52)		Drive assembly	Feb. 2, 1952	February 1952	712, 50	Completed Feb. 29, 1952.
DA-36-039-SC-28421 (order No. 41617 PH-52) DA-36-039-SC-44554 (order No. 1248-PH-53)	627, 973, 07 390, 00	Generator (DY-88) Tube shields	June 26, 1952 Aug. 6, 1952	March 1953 ' October 1952	74, 715. 00 390. 00	\$553, 258. 07. Completed Oct. 15, 1952.

¹ This figure represents the unliquidated balance of partial payments totaling \$1,695,404.58. This balance will be recouped by completion of the contract. The partial payments were made prior to delivery of completed items on work in progress pursuant to the contract clause prescribed by sec. 7-150.1 of the Army procurement procedure. Under this clause, title to such property chargeable to the contract vests in the Government.

¹ This figure represents the unliquidated balance of partial payments totaling \$1,001,097.92. This balance will be recouped by completion of the contract. The payments were made under the conditions described above.

¹ 2,996 units of 5070 shipped as of Mar. 20, 1953.

Note. - Total dollar value as of Mar. 1, 1953: \$6,926,874.78. Total undelivered dollar value as of Mar. 1, 1953: \$1,427,580.30.

Mr. WILLIAMS. Mr. President, I have a letter signed by Mr. William McC. Martin, Jr., Director of the Board of Governors of the Federal Reserve System, dated April 27, 1953, in which he points out that the Federal Reserve Board had recommended that the application of this company for a loan be declined. Quoting from the letter, "The primary reason given was the weakness in the corporation's financial structure, and there were other unsatisfactory features.'

I ask unanimous consent that the letter be incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, Washington, April 27, 1953. The Hon. JOHN J. WILLIAMS.

United States Senate,

Washington, D. C.

DEAR SENATOR WILLIAMS: Reference is made to your letter of April 21 wherein you ask whether or not the Federal Reserve Bank of New York filed an unfavorable report in 1951 on an application involving a proposed V-loan to the Tele-King Corp., in the amount of \$2 million.

As you know, the Federal Reserve banks act only as fiscal agents of the United States in connection with these V-loans and in that capacity make confidential credit investigations and reports to the procurement agencies of the Government participating in the defense program and suggest terms and conditions to be incorporated in the loan documents which, in the opinion of the Federal Reserve banks, are necessary to adequately protect the interests of the Govern-Neither the Federal Reserve banks nor the Federal Reserve Board have any authority to decline or approve these loan

guaranty applications.

In the case of the Tele-King application the Federal Reserve Bank of New York in its credit report to the Department of the Army recommended that the application be declined. The primary reason given was the weakness in the corporation's financial structure, and there were other unsatisfactory features. However, the Federal Reserve bank did suggest terms and conditions to the Department of the Army for use in the event that Department felt that the prospec-tive borrower's production was essential to the defense effort.

As I advised you in my letter of April 7, this application with the Federal Reserve bank's unfavorable report was presented to the Department of the Army for considera-tion on November 10, 1951, but before action

was taken by the Department, the application was withdrawn and the V-loan never consummated. In this instance the financing institution which filed and later withdrew the application was the Public National Bank & Trust Co. of New York City.

If there is any further information which you want in this case or any other case, please call on us.

With kindest regards. Sincerely yours,

WM. McC. MARTIN. Jr.

Mr. WILLIAMS. Mr. President, under date of April 22, 1953, I inquired as to the list of officers, directors, and principal stockholders of the corporation, and I received a reply dated May 15, 1953, from Lt. Col. Robert B. Tomlinson, giving a list of the officers, directors, and principal stockholders. I ask unanimous consent that the letter be incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 15, 1953.

Hon. JOHN J. WILLIAMS, United States Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter of April 22, 1953 requesting the names of all officers, directors, and principal stockholders of the Tele-King Corp., and to our interim reply of April 28, 1953.

Our records show the following officers, directors, and stockholders of the Tele-King Corp. in September 1950:

Chairman of the board of directors: Louis I. Pokrass. One of two stockholders. He and his family own 300,000 shares.

Vice chairman of the board of directors: Franklin Lamb. He owns 20,000 shares,

President and treasurer: Harvey L. Pokrass Vice president and secretary: Calvin E. Vice president in charge of Government contracts: Scott W. Donaldson.
Vice president in charge of engineering:

M. J. Morris.

Our records list Gen. George MacDonald as vice president in charge of Government contracts in October 1952.

If you desire any further information, please do not hesitate to write.

Sincerely,
ROBERT B. TOMLINSON,
ROBERT B. Tomlinson, Lieutenant Colonel, Signal Corps, Executive.

Mr. WILLIAMS. Mr. President, under date of June 2, 1954, a further letter was directed to Lieutenant Colonel Tomlinson, and on June 12, 1954, I received a reply thereto, in which he said that the company was in bankruptcy and that there was an outstanding balance to be delivered on the contracts representing a little more than half a million dollars. Quoting from the letter, "The outstanding balance of such progress payments is \$203,188.51."

Mr. President, I ask unanimous consent that the letter be incorporated in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD. as follows:

DEPARTMENT OF THE ARMY, OFFICE OF THE CHIEF SIGNAL OFFICER Washington, D. C., June 10, 1954. Hon, JOHN J. WILLIAMS.

United States Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter of June 2, 1954, containing queries relative to Signal Corps contracts awarded the Tele-King Corp., of New York, and referencing our previous correspondence under dates of March 13, 1953, and April 2, 1953.

The present status of outstanding Signal Corps contracts with Tele-King is as follows:

Contracts	Dates	Amount of contract as of last amend- ment	Balance to be delivered
DA-36-039-SC-9384 DA-36-039-SC-30754 DA-36-039-SC-28421 DA-36-039-SC-40319	Apr. 30, 1951 June 31, 1952 June 26, 1952 June 30, 1952	\$3, 504, 119, 86 2, 742, 551, 60 619, 523, 79 26, 933, 85	\$128, 236. 34 355, 354. 88 11, 320. 05 5, 112. 06
Total			500, 023. 33

The items remaining to be delivered consist of spare parts and literature. It is anticipated that these contracts will be completed by the end of December 1954. Signal Corps has made progress payments to the company for material to be delivered to

the Government. The outstanding balance

of such progress payments is \$203,188.51. No additional contracts have been awarded Tele King Corp. The Tele King Corp. is now operating under a Chapter XI Bankruptcy Act arrangement.

This office is taking action to ascertain the status of the appeal which you referred to with respect to the revocation of clearance, This information will be transmitted to you without delay.

Sincerely yours.

FRED J. JOHNSTON, Major, Signal Corps, Assistant Executive.

(For Robert B. Tomlinson, lieutenant colonel, Signal Corps executive.)

Mr. WILLIAMS. Mr. President, under date of June 24, 1954, certain additional information was furnished by the Signal Corps regarding these contracts, which I ask unanimous consent to have incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD,

as follows:

DEPARTMENT OF THE ARMY, OFFICE OF THE CHIEF SIGNAL OFFICER, Washington, D. C., June 24, 1954. Hon. JOHN J. WILLIAMS,

United States Senate.

DEAR SENATOR WILLIAMS: This is in answer to your letter of June 18, 1954, containing further questions regarding the Tele King Corp. The information relative to the status of the appeal with reference to the revocation of clearance for this company has not yet been received.

The Tele King Corp. filed a petition for an arrangement under chapter XI of the Bankruptcy Act on February 4, 1954, in the United States District Court for the Southern Dis-

trict of New York.

No receiver has been appointed. King is operating as "debtor in possession" pursuant to an order of the district court dated February 5, 1954. The present management of the Tele King Corp. is as follows:

Franklin Lamb, chairman of the board of

Harvey L. Pokrass, president. Calvin E. Bell, executive vice president.

Sol Predeger, vice president.

The Signal Corps has advanced no money the Tele King Corp. since February 4,

to the 1954. The present balance of outstanding progress payments is \$43,981.96.

Tele-King has made deliveries in the amount of \$106,687.05 on its Signal Corps

contracts since February 5, 1954.

Your understanding of our letter of June 10, 1954, expressed in the fifth paragraph of your letter is correct; however, the figures mentioned in the two preceding paragraphs should also be kept in mind.

Sincerely yours, ROBERT B. TOMLINSON, Lieutenant Colonel, Signal Corps, Executive.

Mr. WILLIAMS. However, Mr. President, there is another chapter in this story, and it is this last chapter which gave both the Senator from Kansas [Mr. Schoeppell and myself the most concern. Also it was this phase of their operations which was really responsible for our entry into the case.

In the latter part of 1951 information was presented to the Senator from Kansas [Mr. Schoeppel] and myself to the effect that members of the underworld had planted a representative in a key position in the Office of the Director of Defense Mobilization. It was pointed out how with a representative in this key position the group would automatically have had access to advance information on all allocations of critical materials, the inauguration of rationing or price controls, or such other important actions which would have a major effect on prices

of key commodities in this country during the war.

Recognizing the seriousness of this charge, Senator Schoeppel and I began our inquiry-an inquiry which has extended over a period of nearly 3 years.

The records which have been incorporated and those which follow will establish that Mr. Franklin Lamb was employed as an assistant to Mr. Charles E. Wilson, Director of Defense Mobilization, and that Mr. Lamb's resignation from that position was accepted about the time we began our inquiry.

Our report will also establish that during the period in which Mr. Lamb was employed by the Government as an assistant to the Director of the Office of Defense Mobilization, he did not draw any Government salary but only a per diem allowance; but at that time he was also on the payroll of and a stockholder in the New York company-Tele-Kingwhich was referred to above as being owned by Louis Pokrass and his associates.

Furthermore, our records will show that Mr. Lamb was assigned to this important position without an FBI check but solely upon the recommendation of Gen. Harry Vaughan. His clearance to secret contracts and secret information was included in the blanket clearance given to the Tele-King Corp. and all its officials under date of February 26, 1951.

The report on Franklin Lamb follows. Mr. President, I ask unanimous consent to have incorporated in the RECORD a letter signed by Robert Ramspeck, chairman, United States Civil Service Commission, under date of January 23, 1952, in which Mr. Ramspeck points out the Government employment record of Franklin Lamb and confirms the fact that he was employed as an assistant to Mr. Wilson from September 4, 1951, to October 24, 1951.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES CIVIL SERVICE COMMISSION. Washington, D. C., January 23, 1952. Hon. JOHN J. WILLIAMS,

United States Senate.

DEAR SENATOR WILLIAMS: Due to the fact that we did not have the given name of Mr. Lamb about whom you wrote me under date of January 14, we were unable to locate any record of him in this office, but it was ascertained from the Office of Defense Mobilization that a Mr. Franklin Lamb had been employed as an assistant to Mr. Wilson from September 4, 1951, to October 24, 1951, on which date he was separated.

Our records do show that Mr. Lamb was employed under a war service appointment as consulting expert at the rate of \$22.22 per diem when actually employed on the War Savings Staff, Office of the Secretary of the Treasury, from June 10, 1942, until his services were terminated on August 11, 1942. The records further show that he was appointed as a small-business analyst on July 1, 1944, in the Bureau of Foreign and Domestic Commerce, Department of Commerce, and was terminated March 30, 1946. His rate of pay at the time of his appointment was \$5,600 per annum when actually employed.

I might add there is no information in the Commission's files detrimental to Mr. Lamb. Sincerely yours,

ROBERT S. RAMSPECK, Chairman.

Mr. WILLIAMS. Mr. President, under date of January 29, 1952, I addressed a

letter to Charles E. Wilson, Director of the Office of Defense Mobilization, making certain inquiries as to the appointment of Mr. Lamb, and his background. Since the letter is very brief, I wish to read it for the benefit of the Senate:

JANUARY 29, 1952.

Mr. CHARLES E. WILSON,

Director, Office of Defense Mobilization,

Washington, D. C.
DEAR MR. WILSON: It has been reported to me that a Mr. Franklin Lamb was employed as an assistant in your office from September 4, 1951, to October 24, 1951, on which date he was separated after it had been called to your attention that Mr. Lamb was connected with either Frank Costello or certain other undesirable characters in New York.

Will you please advise me if this report is correct; and if so, furnish me with a report of whatever information you have regarding Mr. Lamb's background or outside connections. Is it true that Mr. Lamb was recommended to his position by General Vaughan? Yours sincerely,

JOHN J. WILLIAMS.

Under date of February 28, 1952, a reply was received from Mr. Wilson, in which he said:

With reference to your statement concerning Mr. Lamb's possible connection with Frank Costello or certain other undesirable characters, I can only say that to the best of my knowledge, such statements are pure

Mr. Wilson also confirmed the fact that Mr. Lamb was recommended for his position by Gen. Harry Vaughan. He also emphasized the policy that all employees of the Office of Defense Mobilization were cleared either by the FBI or the Civil Service Commission prior to their appointment.

Mr. KNOWLAND. Mr. President, will

the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KNOWLAND. I wish to ask the question merely as a matter of information, since there are two Charles E. Wilsons. As I understand, the Charles E. Wilson to whom the Senator refers was the Director of Defense Mobilization, and not the Secretary of Defense?

Mr. WILLIAMS. That is correct. have no reason to believe that Mr. Wilson did not write the letter in all sincerity and that the reason for the misinformation was the fact that someone was feeding him a lot of false information. I may not be accurate, but that is my opinion.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from New Mexico.

Mr. ANDERSON. Does not the Senator believe that both of the Charles E. Wilsons are men of high character, and unquestioned integrity?

Mr. WILLIAMS. Certainly I think they are. While I am incorporating this correspondence as a matter of record, as I said before, I can understand how a man in his position would take reports which were handed to him by men who were working with him. I cannot help but think that this report or this letter was written by Mr. Wilson without his having all the facts.

However that does not excuse individuals like General Vaughan or others who certainly must have known the

background of these individuals. They should be held responsible. Mr. Wilson should assist in placing that responsibility.

I understand that 15 days prior to Mr. Wilson's letter of February 28, 1952, or on February 13, 1952, to be exact, the FBI report outlining substantially this same information was presented to the White House. I do not believe Mr. Wilson had access to that information.

Mr. ANDERSON. I recognize the feeling which the majority leader has with respect to Senators making statements and not asking questions, but I wish to commend the Senator from Delaware for checking into the matter, and to say to him that I think both the Secretary of Defense and the former head of the Office of Defense Mobilization are men of the highest character. While I have had a great deal more dealings with Mr. Charles E. Wilson, who was the head of the Office of Defense Mobilization, it is to be deplored that these men who came into the Government from private industry and assumed the tasks which they did, should have had some subordinates occasionally mislead them about individuals. It was just as regrettable to have had it happen to the former head of the General Electric Co. as if it had happened to the former head of General Motors Corp.

Mr. WILLIAMS. That is correct. Mr. ANDERSON. Both the former Director of Defense Mobilization and the present Secretary of Defense are highminded men of sterling character.

Mr. WILLIAMS. The Senator is correct. I have not changed my high opinion of Mr. Charles E. Wilson, former Director of Defense Mobilization. Surely had he seen the report he would not deliberately have given out wrong information. I am confident of that. However, I do not believe that excuses those who prepared for him the wrong information in answer to our questions. I am certain the Senator agrees with me as to that.

Mr. ANDERSON. I certainly agree with the Senator from Delaware.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield for a ques-

Mr. JOHNSTON of South Carolina. I merely wished to inquire if Senate bill 3690, relating to the revision of the Atomic Energy Act, is now under consideration?

Mr. WILLIAMS. No, I am not discussing the atomic energy bill. I am making a report on certain other matters. I shall finish in a few minutes.

Mr. JOHNSTON of South Carolina. There has been talk about a filibuster being in progress. The Senator from Delaware is not participating in a filibuster, is he?

Mr. WILLIAMS. I may say to the Senator from South Carolina if it is, it is a filibuster which Members on his side of the aisle, who were in control of the administration at the time these events happened, should have been conducting. I am certain that had the Senator had, during that period, the information which I am presenting to the Senate today, he would have presented it then.

I hope the Senator will not criticize me for making this report, even though it is at this belated date.

Mr. JOHNSTON of South Carolina. I am not criticizing the Senator from Delaware for making any report whatsoever. I merely wished to make it clear that he was bringing up another matter while the Senate has under discussion the atomic energy bill.

Mr. WILLIAMS. I am certain that if he will sit down and patiently wait, I shall conclude my remarks in 5 minutes, and there can be a vote by 12 o'clock unless he again starts talking.

Mr. JOHNSTON of South Carolina.

I simply wanted to say——
Mr. WILLIAMS. I do not yield to the Senator from South Carolina to turn my statement into a filibuster, and I hope he will not defend these racketeers.

Under date of March 5, 1952, I wrote another letter to Mr. Charles E. Wilson, Director of the Office of Defense Mobilization, making certain inquiries regarding his question and on March 31, 1952, I received a reply.

I ask unanimous consent that both letters may be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 5, 1952.

Mr. CHARLES E. WILSON,

Director, Office of Defense Mobilization, Executive Office of the President, Washington, D. C. DEAR MR. WILSON: I acknowledge receipt

of your letter of February 28, 1952, in reference to the employment of Mr. Franklin Lamb in your office.

Will you please furnish me with the following additional information:

1. The date of Mr. Lamb's employment in your office and the title of his position.

2. Was he cleared by the FBI prior to

his employment?

3. Is it not customary to clear men employed in your department with the FBI prior to their employment?

4. Was Mr. Lamb checked by the FBI sub-sequent to his employment? If so, give the date on which his case was referred to the Bureau, the date upon which the report was received, and the substance of that report.

Yours sincerely, John J. Williams.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF DEFENSE MOBILIZATION Washington, D. C., March 31, 1952. Hon. JOHN J. WILLIAMS,

United States Senate,

Washington, D. C. DEAR SENATOR WILLIAMS: Your letter of March 5, 1952, requested additional information regarding the employment of Mr. Franklin Lamb by this Office.

In response to your first question, Mr. Lamb was employed by this Office for a period of 6 weeks from September 4, 1951, to October 24, 1951, as an Assistant to the Director.

With respect to your second question as to whether or not he was cleared by the FBI prior to employment, the fact is that he was not investigated by the FBI prior to being sworn in as an employee of the Office of Defense Mobilization.

This Office received on August 28, 1951, a photostat of a clearance issued by the Department of the Army, Office of Provost Marshal General, clearing Mr. Lamb for access to documents up to and including those classified "secret." Accordingly, on September 4, 1951, Mr. Lamb was employed under the conditions outlined above. On September 10, there was made available to this Office a complete background investigation which had been conducted on July 9, 1942, by the Internal Revenue Bureau covering Mr. Lamb and which was entirely favorable. On September 7, 1951, request was made by this Office to institute a complete background investigation by the FBI, which was completed on December 29, 1951, as previously stated. This full field investigation failed to disclose any derogatory information whatsoever

concerning Mr. Lamb or his past activities.

Your third question asked if it is not customary to clear an employee with the FBI prior to his employment. The ODM regulations permit an employee to be engaged prior to the completion of a full field background investigation by either the FBI or the Civil Service Commission if preemployment checks have been made and have failed to reveal any derogatory information. The reasoning behind this ruling is that under the best possible conditions, the complete background investigation normally requires from 60 to 120 days. Experience has indicated that if a hard and fast rule were promulgated requiring a prospective candidate to wait that long for complete security clearance after it was decided that he was otherwise qualified, it would be a major deterrent in securing staff members for this Office.

Accordingly, a preliminary preemployment investigation is secured from all or anyone of a number of agencies on each prospective employee and if the check fails to reveal any derogatory information, the individual is given an appointment conditioned upon subsequent clearance based on a complete background investigation. Until such time as the clearance is received the individual is not permitted access to any "top secret" or higher classified material.

The above information has also answered question No. 4, with one exception, and that is your request for the substance of the FBI report covering Mr. Lamb. In accordance with the President's directive of March 15. 1948, this request must be respectfully de-

clined. Sincerely,

CHARLES E. WILSON.

Mr. WILLIAMS. Mr. President, ask unanimous consent to have printed at this point in the RECORD a letter under date of April 23, 1953, signed by Arthur S. Flemming, Director of the Office of Defense Mobilization.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT. OFFICE OF DEFENSE MOBILIZATION, Washington, D. C., April 23, 1953. Hon. John J. Williams, United States Senate,

Washington, D. C. DEAR SENATOR WILLIAMS: Your letter of April 13, 1953, asked that you be advised of the annual leave accruing to a former employee of the Office of Defense Mobiliza-tion, Mr. Franklin Lamb, and also the date

and amount of any lump sum paid to him.

Mr. Lamb was appointed on a WOC basis on September 4, 1951, and terminated October 24, 1951. Consultants serving without compensation in an advisory capacity do not accumulate leave or receive lump-sum payments when leaving the agency. Accordingly, Mr. Lamb received no payment for services rendered the Government other than the per diem in lieu of subsistence to which all WOC's are entitled under the terms of the Defense Production Act.

If you wish additional information, please do not hesitate to call.

Sincerely yours,
ARTHUR S. FLEMMING, Director.

Mr. WILLIAMS. Mr. President, under date of April 24, 1953, I received a letter from Mai, Gen. W. H. Maglin, the Provost Marshal General, containing certain additional information with regard to Mr. Lamb and others having been given their clearance. I ask unanimous consent to have that letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> DEPARTMENT OF THE ARMY. OFFICE OF THE PROVOST MARSHAL GENERAL.

Washington D. C., April 24, 1953.

Hon. JOHN J. WILLIAMS,

United States Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter of April 21, 1953, concerning Tele King Corp.

Tele-King Corp. and the following individuals were cleared by the Office of the Provost Marshal General on February 26, 1951: Calvin E. Bell, Scott W. Donaldson, Franklin Lamb, Warren J. Oestreicher, Harvey L. Pokrass, Louis I. Pokrass.

I have looked into this matter and find that the Army-Navy-Air Force Personnel Security Board, which acted for the Secretaries of the Army, Navy, and Air Force, revoked the clearances of Tele-King Corp., and Mr. Louis Pokrass on December 9, 1952. They appealed this decision to the Industrial Employment Review Board and their entire case files were forwarded to that Board on December 22, 1952.

On March 27, 1953, these Boards were abolished by order of the Secretary of Defense who also directed that regional boards be established. These boards are in the process of being organized. Pending their formation I have been advised that all files on cases being processed by the Industrial Employment Review Board are now held by the Assistant Chief of Staff, G-2, Department of the Army.

The records of my office do not contain any additional information on Tele-King Corp.

I trust the above information will be of assistance to you in this matter.

Sincerely yours,

W. H. MAGLIN.

Major General, USA, the Provost Marshal General.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the clearance which was given to Mr. Lamb.

There being no objection, the clearance was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY.

OFFICE OF THE PROVOST

MARSHAL GENERAL.

Washington, D. C., February 26, 1951. TELE KING CORP.

New York, N. Y.

(Attention Mr. S. W. Donaldson.)

GENTLEMEN: Reference is made to the personnel security questionnaires recently submitted by your company in the case of the citizens whose names appear herein.

In conformance with SR 380-405-1, consent is hereby granted for employment on or access to secret contracts and information of the Department of the Army in the case of the following citizens. This grant of con-

sent is subject to the conditions and requirements set forth on the attached page. Bell, Calvin E.

Donaldson, Scott W. Lamb, Franklin. Oestreicher, Warren J. Pokrass, Harvey L. Pokrass, Louis I.

By authority of the Secretary of the Army: F. P. Parker,

Major General, United States Army, Authenticated by:

M. J. FITZGERALD,

Colonel, MPO Executive Officer.

Mr. WILLIAMS. Mr. President, on April 20, 1953, I addressed a letter to Mr. Gordon E. Dean, Chairman of the Atomic Energy Commission, asking whether or not Mr. Lamb had been cleared for employment in the atomicenergy field.

I ask unanimous consent that both my letter and his reply be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD. as follows:

APRIL 20, 1953.

Mr. GORDON E. DEAN,

Chairman, United States Atomic Energy Commission, Washington, D. C.

DEAR MR. DEAN: It is my understanding that on or about September 26, 1951, your agency requested clearance on a Franklin Lamb, who at the time was being considered for employment and that this report was delivered on or about November 13.

Please advise whether or not such a report was requested, and if so, the results.

Was Mr. Lamb subsequently employed? If so, furnish a record of his employment along with a notation as to whether or not he was cleared for top secrets.

Yours sincerely,

JOHN J. WILLIAMS.

MAY 1, 1953.

Hon. JOHN J. WILLIAMS,

United States Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter dated April 20, 1953, wherein you made inquiry concerning possible employment and security actions taken by the Atomic Energy Commission with respect to Mr. Franklin Lamb.

We have no record in our central clear-ance index of Mr. Lamb ever having been employed or granted security clearance by this Commission. However, our records do reflect that a request for security clearance for him was received during September 1951 from the Office of Defense Mobilization. were advised that Mr. Lamb's duties as a consultant with that agency would require his being afforded access to atomic energy restricted data.

On September 21, 1951, we requested the Federal Bureau of Investigation to conduct an investigation relative to Mr. Lamb's character, associations, and loyalty in order that we might determine his eligibility for security clearance. His eligibility, however, was not resolved, for by letter dated November 21, 1951, the Office of Defense Mobilization advised that Mr. Lamb's services had recently terminated with ODM and, as a consequence it would not be necessary to process his case for AEC security clearance. Accordingly, we closed our file on Mr. Lamb without further

I hope this information will be of assistance to you.

Sincerely yours,

H. D. SMYTH, Acting Chairman.

Mr. WILLIAMS. Mr. President, after developing the case to this point, I called

and personally talked with Mr. Franklin Lamb, feeling that, in all fairness, I should obtain his side of the question.

Under date of May 22, 1953, I received a letter from Mr. Franklin Lamb, giving his own explanation as to his part in the matter

I ask unanimous consent to have the letter of May 22, 1953, printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TELE KING CORP., New York, N. Y., May 22, 1953.

Senator WILLIAMS, Senator from Delaware,

Senate Office Building,

Washington, D. C.

DEAR SENATOR WILLIAMS: With respect to your telephone conversation with me, you suggested that I give you certain information, which of course, I am glad to furnish.

I joined Tele King Corp. in September 1949. I was recommended to Mr. Pokrass and Tele King Corp. by Mr. Lawrence Thees, sales manager of the parts division of Radio Corporation of America.

At that time, I had been negotiating with RCA to go with them and had been offered a position by the late vice president, Joseph Wilson at Camden, whom I had met through my old business friend, Frank Folsom, president of RCA.

When I joined Tele King it was entirely owned by Mr. Louis I. Pokrass and his immediate family, however, I did not purchase stock in the company until the middle of 1950

When I was assistant to Mr. Charles E. Wilson in the ODM, I was appointed on a WOC basis and my company gave me a leave of absence with pay during the time I was with the ODM. While I was with them, other than attending the meetings of the Board of Directors, which I was permitted to do by law and received such a ruling from the legal department of the ODM, I entered into no part of the business activities of Tele King.

You have indicated that you wish to ask me additional questions. I do not know the purpose of these questions and although I am willing to answer any questions you wish to ask in full detail, I prefer you to write them to me so that I can gather the information and data and give you the full facts.

Because of the fact that my company has been very badly persecuted with adverse publicity, most of which has been distorted and is untrue, I prefer to give you my answers in writing in detail so that you will have any answer to any question that is in your mind in full detail.

I am suggesting this method for dealing with your questions so that neither of us will be misquoted.

Very truly yours,

FRANKLIN LAMB.

Mr. WILLIAMS. Mr. President, in the letter Mr. Lamb confirms the fact that he did have leave with pay from the Tele King Corp. during the time of his employment by the Government.

In the letter which I have just incorporated in the RECORD Mr. Lamb suggested that rather than come to Washington, as had at first been suggested, he would rather I drafted my questions in the form of a letter, following which he could put the answers in writing.

Therefore, on May 28, 1953, I directed a letter to Mr. Lamb, outlining a series of nine questions, including questions regarding the connections of Frank Costello and some of the other racketeers in the Tele King Corp., or in business with Mr. Pokrass.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 28, 1953.

Mr. FRANKLIN LAMB,

Vice Chairman of the Board, Tele King Corp., New York, N. Y.

DEAR MR. LAMB: I acknowledge your letter of May 22, 1953. I had hoped that you would find it convenient to be in Washington, at which time you could explain certain questions which have arisen in connection with your employment by the Government and your relationship with the Tele King Corp. However, in the meantime, pending such an interview, I would appreciate the following information:

- 1. The date the Tele King Corp. was organized, its capitalization, and a list of the stockholders at that time.
- 2. Did the Tele King Corp. succeed, or take over the assets and liabilities of the Consolidated Television Co.?
- a. What was the capitalization of the Consolidated Television Co. at the time it was merged with the Tele King Corp., and who were its officers and stockholders?
- 3. The present capitalization of the Tele King Corp., and a list of its stockholders.
- 4. Is Frank Costello now, or has he ever been a stockholder, either directly or indirectly, in the Tele King Corp.?
- a. If his interests have been sold, the date of the sale, to whom they were sold, and the number of shares involved.
- 5. Was Frank Costello a stockholder, either directly or indirectly, in the predecessor company, Consolidated Television?
- a. If so, give full details including the amount of stock owned, the date sold, and the purchaser.
- 6. If Meyer Lansky was a stockholder in either the Tele King Corp. or the Consolidated Television Co., please furnish complete information regarding the date he entered the company, the date he left, the number of shares involved, and from whom the stock was purchased as well as to whom it was sold and the amounts involved.
- 7. If Joe Adonis was at any time a stockholder in either of these companies, please furnish complete information regarding the date he entered the company, the date he left, the number of shares involved, from whom the stock was purchased, to whom it was sold, and the amount involved.
- 8. Who recommended that you apply for the position as assistant to the Director of Defense Mobilization?
- 9. Has Gen. Harry Vaughan ever been connected with the Tele King Corp., either as a stockholder or as an employee? Yours sincerely,

 JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, on June 5, 1953, I received a partial reply from Mr. Lamb, who stated at that time that questions numbered 2, 4, 5, 6, and 7, of my letter were being referred to the general counsel, Jerome Handler, Esq., from whom I would hear in the early future with reference to the questions.

I might say that those questions related to the connection of those racketeers with Mr. Pokrass or his company, as can be noted from the preceding letter.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TELE KING CORP., New York, N. Y., June 5, 1953. Senator JOHN J. WILLIAMS,

Senator from Delaware, United States Senate, Washington, D. C.

DEAR SENATOR WILLIAMS: Re your letter of May 28, inasmuch as I joined Tele King Corp. in September of 1949, having resigned previous as president of Rex month Manufacturing Corp., 302 Fifth Avenue, New York, I had no prior contact, either directly or indirectly with Tele King and therefore, questions No. 2, 4, 5, 6, and 7, are being eferred to our general counsel, Jerome Handler, Esq., from whom you will hear in the early future.

No. 1: Tele King Corp. was organized November 10, 1948 with a capitalization of 500 shares of no par value, and the stockholders were Louis I. Pokrass and H. Roy Penzell holding 30 shares each.

No. 3: The present capitalization of Tele King Corp. is 500,000 shares, par value of \$1 each. The stockholders are:

	Snares
Louis I. Pokrass	164, 660
Harvey L. Pokrass	67, 670
Ina Pokrass Bell	67,670
Franklin Lamb	20,000

Balance of the stock is in the treasury. No. 8: No one recommended that I apply for the position as assistant to the Director of Defense Mobilization. This was my own

idea.

No. 9: Gen. Harry Vaughan has certainly never been connected with Tele King either as a stockholder or an employee or on any other basis.

Very truly yours,

FRANKLIN LAMB.

Mr. WILLIAMS. Mr. President, under date of July 7, 1953, I received the letter from the attorneys, as promised by Mr. Lamb, and signed by Jerome Handler. I read the first paragraph from that letter:

DEAR SENATOR WILLIAMS: Based upon the corporate records and personal knowledge of certain of the facts, we will answer as best we can the questions set forth in your letter of May 28, 1953, sent to Mr. Franklin Lamb of the Tele King Corp. We will follow the numbers used by you in your letter. The data set forth in this letter is confidential. and for your information only, and is not to be published or otherwise disseminated by you without the written consent of ourselves or our client.

> Very truly yours, SCHUR, HANDLER & JAFFIN, By JEROME HANDLER.

In the absence of the permission of the attorneys, I shall not incorporate the full letter in the RECORD at this point. Because the correspondence was received without any official status on my part, I do not feel at liberty to incorporate the entire letter in the RECORD. However, I close my remarks with the statement that if Mr. Lamb or his attorneys feel that the incorporation of the complete letter into the RECORD would in any way change the picture as it now stands I will upon their request ask that the full letter be placed in the RECORD.

SALE OF CERTAIN WAR-BUILT PAS-SENGER-CARGO VESSELS-CON-FERENCE REPORT

Mr. BUTLER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 534) to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of

the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 534) to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other pur-poses, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its amendment.

JOHN M. BUTLER, CHARLES E. POTTER, WARREN G. MAGNUSON, Managers on the Part of the Senate. THOR C. TOLLEFSON, JOHN J. ALLEN, Jr., JOHN H. RAY, HEBRERT C. BONNER, JOHN F. SHELLEY, Managers on the Part of the House.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. BUTLER. I yield.

Mr. KNOWLAND. Is this the conference report we had up earlier, which the Senator has since discussed with the minority leader and the majority leader?

Mr. BUTLER. It is.

Mr. KNOWLAND. I have no objec-

Mr. BUTLER. Mr. President, I move that the Senate proceed to the consideration of the conference report.

The motion was agreed to; and the Senate proceeded to consider the conference report.

Mr. BUTLER. The Senate Conferees on House Joint Resolution 534 to authorize the sale of two war-built passenger-cargo vessels to the American President Lines, Ltd., have agreed unanimously to recede from the amendment proposed by the Senator from Delaware [Mr. WILLIAMS] during floor consideration of the bill, and acquiesced in by me as Chairman of the Water Transportation Subcommittee.

Following approval by the Senate of the amendment, there were submitted to our subcommittee by the General Accounting Office and the Maritime Administration statements not previously presented to us, to the effect that the point raised by the Senator from Delaware in his amendment had been considered thoroughly by those two responsible Government agencies in their negotiations preceding the drafting of the companion

I ask unanimous consent that the letters from the General Accounting Office and the Maritime Administration be made a part of the legislative record and be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD,

as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington.

Hon. JOHN MARSHALL BUTLER.

Chairman, Subcommittee on Water Transportation, Interstate and Foreign Commerce Committee, United States Senate.

DEAR MR. CHAIRMAN: Pursuant to your request, I have had examined in this Office the amendment to House Joint Resolution 534, a bill to authorize the sale of the vessels President Cleveland and President Wilson which was proposed on the floor of the Senate on July 8, 1954, by Senator WILLIAMS and later

adopted by the Senate.

If the sale of the vessels were to take place as of April 1, 1954, at a sales price of \$6,500,-000, it would seem that a necessary incident of such a sale would be a refund of the charter hire paid by American President Lines from April 1, 1954, to the date of enactment of House Joint Resolution 534. Since this charter hire represents 8½ percent per annum of the vessels' valuation of approximately \$7,900,000, the Government would stand to lose more under such an arrangement than under the bill as it stood prior to amendment. The 8½ percent charter hire includes interest of 3½ percent on the Government's money right up to the date House Joint Resolution 534 is enacted.

It is believed that some confusion exists by reason of the fact that April 1, 1954, was used as a target date from which to compute depreciation in order to arrive at the final sales price. However, the deal, as contemplated by House Joint Resolution 534 in its original form, was for the sale of the vessels at a fixed price. The depreciation rate was used only to reduce the agreed figure of \$6,500,000 on April 1, 1954, for the short period during which the bill was passing through the legislative process. It is not to be treated in the same way as the 5-percent portion of the charter hire representing depreciation which has been and is now being paid by American President Lines for the use of the vessels.

Accordingly, it is the view of this Office that the effect of the amendment is to charge twice for interest on the Government's investment in the ships from April 1, 1954, to the date of enactment of House Joint Resolution 534.

Sincerely yours,

Acting Comptroller General of the United States.

COMPTROLLER GENERAL OF THE UNITED STATES, Washington, D. C.

Washington, D Hon. JOHN MARSHALL BUTLER,

Chairman, Subcommittee on Water Transportation, Interstate and Foreign Commerce Committee, United States Senate.

DEAR MR. CHAIRMAN: Pursuant to your request, I have had examined in this office the amendment to H. J. Res. 534, a bill to authorize the sale of the vessels President Cleveland and President Wilson which was proposed on the floor of the Senate on July 8, 1954, by Senator WILLIAMS and later adopted by the Senate.

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Accordingly, it is the view of this office that the effect of the amendment is to charge twice for interest on the Government's investment in the ships from April 1, 1954, to the date of enactment of House Joint Resolution 534.

Sincerely yours,

Acting Comptroller General of the United States.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. LANGER. Mr. President-

The PRESIDING OFFICER (Mr. Bar-RETT in the chair). The Senator from North Dakota is recognized.

Mr. LANGER. I have a special interest in the controversy which is being debated today. During all of the years I have been a Member of the Senate, I have devoted a large part of my time and energy to the battle of securing low-cost electric power and energy for the farmers of my State, North Dakota. This has been no easy job. On all fronts the power monopolies have battled constantly to prevent the necessary appropriations to finance the construction of the dams on the Missouri River and the generating facilities which were necessary to make electric energy available at a cheap enough rate to enable the rural electric cooperatives to develop economically feasible projects.

It is so easy to forget today that when I started my battle in the Senate for the farmers of North Dakota, less than I farm in 16 enjoyed the blessing of electricity. The private electric power companies simply refused to extend service to the farms under terms which the farmer could afford to pay. If one had traveled up and down the roads of the farm communities of North Dakota as I have, he would have realized the drudg-

ery and rigors which the farm wife had to endure before the rural electric cooperatives, financed by the Federal Government, made the use of electricity on the farms possible.

With the advent of the REA, the situation underwent a complete change. Today almost all of the farms are served with electricity. It is an enduring satisfaction to me to receive letters from farm families thanking me for my help in making life so much easier and more enjoyable for them. Likewise, the income of the farmers of North Dakota has been greatly increased by the use of this new hired hand, which can do so much faster and more efficiently, the multitude of laborious jobs which must be done every day on the farm.

Only after we succeeded in getting the appropriations for the dams on the Missouri River could we go ahead on a wide front with the REA program in my State. The farms are so apart, and the number of farms which can be served by one mile of line is so small-the density is only a little greater than one farm per mile-that the farmers found it impossible even to develop a non-profit cooperative distribution system on an economically feasible basis, at the wholesale rates for electricity which they were forced to pay the private electric utility companies. The Bureau of Reclamation now sells power to those cooperatives at considerably less than onehalf the price they were forced to pay the private companies.

In my fight for the farmers of North Dakota, I soon learned that the farmers of the rest of the country were faced with the same problems which confronted my constituents in North Dakota. I was impressed by the fact that in the Tennessee Valley for years the REA cooperatives had been able to purchase electricity from the TVA at only a fraction of the cost our North Dakota farmers had to pay to the private companies.

Now the TVA is being threatened by the President's directive to the Atomic Energy Commission to enter into a deal with private utilities, the Dixon-Yates group, to take over a part of the public power load in Memphis, and on terms which may cost the Government from \$90 million to \$150 million more than if TVA carried the load. But, as I see it, the most harmful effect of the Dixon-Yates deal will be its ultimate effect on the REA cooperatives and, through them, on the farmers of the valley. Of course, the disastrous consequences will not be limited to the farmers of the Tennessee Valley. I call that fact to the attention of every Senator on the floor, no matter from what State the Senator may come. It is not merely a fight for the Tennessee Valley Authority, for once the TVA yardstick is destroyed, the rates of the cooperatives in States surrounding the Tennessee Valley will also be raised. Already in my State, in Bowman County, where an REA has been hampered by the Department of the Interior, the rates have been doubled, and farmers in that area who used to pay \$24 a month for electricity suddenly found their bills had increased to almost \$48 a month. They

were unable to pay such high rates, and, of course, had to disconnect their electricity and go back to the kerosene lamp.

Eventually most of the country, if not all, will be harmed by the loss of the yardstick. Not only does the Dixon-Yates deal contain possibilities of real harm to the farmers, but we were greatly upset because the new proposed Atomic Energy Act failed to protect the farmers and the rest of the consuming public. It appears to the senior Senator from North Dakota that the new bill turns all the benefits of this new source of power over to the monopolistic power trust, with no safeguards whatsoever for the farmers, the REA cooperatives, or the general public welfare; yet eventually the benefits of this source of power will enable it to dwarf the hydroelectric power capacity of the country.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. JOHNSTON of South Carolina. I wish to compliment the Senator from North Dakota for the statement he is making. At this time I should like to read into the record a few figures showing how the States benefit when the TVA yardstick can be used.

Mr. LANGER. I gladly yield for that

purpose.

Mr. JOHNSTON of South Carolina. These are the average charges for hydroelectric power purchased by rural-electric cooperatives; 4.8 mills in Tennessee, where the Tennessee Valley Authority is the only source of supply; 5.3 mills in Mississippi, close by, where the TVA yardstick is being used; 5.8 mills in Alabama; 6.4 mills in Georgia; 7.1 mills in South Carolina.

Across the Mississippi River, in the neighboring States of the Southwest, we find that the average charges for electricity sold to rural-electric cooperatives amount to 5.5 mills in Louisiana; 6 mills in Arkansas, 5.8 mills in Texas; and 6 mills in Oklahoma.

Moving to the North, which is said to be so far advanced, we find that, on the average, the cooperatives are paying 15.4 mills in Maine; 12.3 mills in New Hampshire; 12.3 mills in Vermont; 11.2 mills in the great State of New York; 10.5 mills in Pennsylvania, or twice as much as the rate in the vicinity of the TVA, where the power companies are furnishing the power; 12.8 mills in Michigan; 13.7 mills in Wisconsin; 12.6 mills in Iowa; 14 mills in Minnesota; 11.2 mills in North Dakota; and 11.7 mills in South Dakota. All those States are far away from the TVA yardstick.

Let me say that I am glad the Senator from North Dakota is making his speech at this time, in the effort to keep the TVA from being done away with in an underhanded manner. So I thank the Senator from North Dakota for yielding to me at this time. I am vitally interested in this matter, for I do not want the rates in my State to be doubled.

Mr. LANGER. Mr. President, it is always a pleasure to yield to the junior Senator from South Carolina, whose entire record in the Senate has been one in behalf of the small consumers, the laboring men, and the small farmers. His record here is very natural in view of his experience, for when he was 11 years old he supported an entire family by working in a mill. His record in the Senate is proof that the efforts he made in his youth have had their effect and have gained for him the confidence of the people of South Carolina, and, I may add, the confidence of the entire Nation. The people of South Carolina recognized his great ability and made him their So I am always glad to yield Governor. to the distinguished Senator from South Carolina.

Mr. President, let me say that the pending bill should be most carefully considered by every Senator; and I care not whether it takes 5 days, 10 days, or 5 months to give the bill the adequate consideration it requires. The people of the United States should be aware of what this crowd is trying to put over on the floor of the Senate.

Mr. President, as I began to say a moment ago, it appears to me that the pending bill turns all the benefits of this new source of power over to the monopolistic Power Trust, with no safeguards whatsoever for the farmers, the REA cooperatives, or the general public, including labor, the small municipalities, and the rank and file of people everywhere in the Nation.

I am very glad the distinguished Senator from South Carolina submitted the figures on the rates in various States, thus showing what is taken out of the pockets of the poor people, because, being in the majority, in the last analysis they are the ones who pay. I do not care whether one refers to taxes or to rates; in any event, every Senator knows that, in the last analysis, the poor people are the ones who pay.

Mr. President, this new development should be a great blessing for mankind. It was made at a cost of billions of dollars of the taxpayers' money, but it is being shamefully handed over to a greedy few. This is the biggest giveaway yet. I plead with my colleagues to support the necessary amendments to give some degree of protection to the public, and to the REA cooperatives, in particular.

Another reason for my special interest in this matter arises from my being chairman of the Subcommittee on Antitrust and Monopoly, of the Committee on the Judiciary. We have held some hearings on the monopoly features of the Dixon-Yates proposal. We plan to hold more hearings to go to the bottom of this matter. Although, of course, we shall not be in a position to decide whether the anti-monopoly laws of the country have been violated, until after all the evidence is in, we have heard enough to cause us great concern. The engineering firm which was employed by a syndicate which attempted to submit a bid withdrew as engineer, after the bid was publicized. The head of the syndicate, Mr. Von Tresckow, testified before my committee that the president of the engineering firm told him the firm withdrew because of the pressure brought to bear upon it by its utility clients.

Of course, Mr. President, when a project is built for the Government, the cus-

tomary procedure is to advertise for bids, and to accept the lowest responsible bid. That applies whether the project is to be constructed in a city, in a town, or in a village. After all, in handling the taxpayers' money, the general rule is to award the contract to the lowest responsible bidder who will do the work well. However, in this case, when a syndicate tried to bid to help do the job, the engineering firm which was employed by the syndicate, which attempted to submit a bid, withdrew after the bid was publicized. Incidentally, this was not a case in which a fly-by-night engineer was employed. On the contrary, one of the outstanding engineering firms in America was used.

The president of the engineering firm wrote a most interesting letter which was entered in the record of our hearings. I should like to read the letter to the Senate:

DEAR MR. VON TRESCHOW: In our original discussion we had no knowledge of the fact that any private utilities were interested in the construction and operation of a generating station in the Tennessee Valley area for the Atomic Energy Commission.

It now develops that unauthorized use of

our name has been made in connection with a proposal to the Atomic Energy Commission counter to one submitted by Middle South Utilities and the southern companies.

On April 28 we pointed out to you that Gibbs & Hill, Inc., could not afford to have its name linked with any endeavor contrary to the interests of any privately owned public utilities in this country.

The use of our name has come to the

attention of Mr. Dixon-

Of Dixon-Yates-

president of Middle South Utilities, and through him to Mr. England, president of Atlantic City Electric, one of our clients, and to a number of electrical equipment and boiler manufacturers. One of the subsidiaries of Middle South Utilities is the New Orleans Public Service Co., with whom we have been endeavoring to negotiate an agreement for the design and/or construction supervision of their new station.

In view of the foregoing, it would seem necessary to have statements issued in such newspapers, as Gibbs & Hill's name has been mentioned in connection with this project. to this effect: That we will not participate in any activity detrimental to the privately owned public-utility industry in the country.

Any personal names or company names used above are confidential and have been mentioned for the sole purpose of adequately presenting Gibbs & Hill's position.

Yours very truly,

DAVID B. SLOAN.

I may say that I had the great satisfaction, as chairman of the subcommittee, to have Mr. Sloan under oath before the subcommittee to find out why he wrote that letter. The testimony is most interesting. Undoubtedly it has already been placed in the RECORD, or will be placed in the RECORD.

The testimony of the representatives of the Von Tresckow group before our committee also indicated they had received a brushoff from the AEC, although the Dixon-Yates people always received a royal welcome and assistance from AEC, the Budget Bureau, and the Federal Power Commission representatives.

It is interesting to note that only this morning I received a telegram, which I wish to read in full. I ask Senators to remember this telegram as I continue with my remarks, when I deal with fi-nances. The telegram is dated July 19, 1954, and reads as follows:

NEW YORK, N. Y., July 19, 1954. Senator WILLIAM LANGER, Senate Office Building,

Washington, D. C .: We, the undersigned, have made an offer to finance, design, build, and operate a steam generating station at Fulton, Tenn., to supply the power needs of the TVA in the Memphis area. The cost of this power is to be 31/2 mills per kilowatt-hour or less. is practically at the same rate as power produced by the TVA. Our offer will cost the Government between \$90 million and \$150 million less than any alternative proposal you have for consideration. We are repeating this offer, made to TVA and other gov-ernmental agencies concerned, to you and to every other Senator and Representative. We are now adding to this offer as follows:

"We will build steam generating stations on the same basis wherever they are needed in the TVA area. Power from these generating stations will also be available to the private utility companies in the adjacent territory at the same rates as TVA."

We repectfully ask that you interest your-self in the consideration of this offer by the proper Government agency, for the following

It is best for the Government, because: It saves \$90 to \$150 millions. It eliminates the need for the AEC to make a power contract to supply the needs of TVA it takes the AEC out of the power business. It eliminates need for further Government appropriations for the construction of TVA generating stations.

It is best for TVA, because the Authority can continue to make its own power contracts for its own needs. It enables the TVA to supply all the power the AEC needs at the cheapest price. The Authority retains its ability to meet the growing needs of its own customers. The cost of power remains same to its present customers. The great benefits, brought by TVA to the area it serves in seven States, are maintained through private money and private initiative.

It is best for the private utility companies in the territory adjacent to TVA, because it enables them for the first time to obtain power at TVA rates and to compete with TVA on a price basis.

It is best for the consumer, because his monthly bill for electricity in the TVA area remains the same and will be substantially less than he is paying now in the adjacent

territory.

It is best for the country, because it spreads the benefits of low-cost power over a vastly greater territory to a larger number of people.

Respectfully yours,

Walter von Tresckow, for Walter von Tresckow, New York City; Burns & Mc-Donnell Engineering Co., Kansas City, Mo.; Salomon Bros. & Hutzler Invest-ment Bankers, New York City; Long Construction Co., Kansas City, Mo.; Robert W. Larrow, Burlington, Vt.; Harvey Weeks, New York City; George H. Schwartz, Zelig R. Nathanson, Schwartz, Nathanson, I. Cohen, New York City; John N. Mitchell, Caldwell, Marshall, Trimble & Mitchell, New York City.

Mr. President, those who signed the telegram are outstanding financiers, lawyers, brokers, and engineers. They renewed the offer they had previously made. They testified before our com-mittee. How in the name of heaven any Senator can possibly vote to have the Dixon-Yates proposal go through, at an

additional cost to the Government of between \$90 million and \$150 million is beyond the comprehension of the senior Senator from North Dakota

The following intraoffice memorandum, written by a member of the engineering firm's staff which was entered into the record of our hearings is most illuminating:

Yesterday Mr. Waite, of the Federal Power Commission office in New York, called to inquire whether the publicity released in Memphis by the law firm of Burch, Porter, and Johnson had been retracted. Not knowing the situation I told him I was under the impression that a retraction was in process and suggested that you, E. H. A. or J. B. S. would give him the details. In the meantime, however, I found in the file a clipping from the Memphis paper, the Commercial Appeal of May 7, as well as a copy of your letter to the McGraw Hill Publish-Co. on the same subject which I told Mr. Waite about in a subsequent phone call. He seemed to be obviously pleased and re-lieved that the retraction was an accom-plished fact, and stated that he had been requested to ascertain exactly this by the main quested to ascertain exactly sing 5, office of the Commission in Washington.

B. D. J.

Why should the Federal Power Commission be obviously pleased and relieved that the engineering firm had withdrawn from representation of a possible competitor of Dixon-Yates? What has been the true role the FPC has played in this?

Mr. GORE. Mr. President, will the Senator from North Dakota vield?

Mr. LANGER. I am delighted to yield to the Senator from Tennessee.

Mr. GORE. The able Senator referred to the Von Tresckow group as a possible competitor. I wish to point out to the Senator that under the data sheet and specifications submitted and prepared by the Atomic Energy Commission for those who wanted to submit socalled competing proposals, only one group could qualify as a genuine competitor. I never at any time could understand how the Von Tresckow group could compete on the basis of the requirements of the Atomic Energy Commission. The power requirements which the Von Tresckow group could not meet was that the party submitting a proposal must have a dependable back-up of power. Who had a dependable back-up of 600,000 kilowatts of power except the utility operating in that area?

Another requirement was that it could use the extra electricity, if not needed by AEC, for their own use. Who could meet that requirement except the operating utility in the area?

That is why I have said repeatedly that there was no room for competition. There was only one concern that could meet the requirements. This deal was tailor made for one concern, and one concern only. Not only was it given an exclusive contract, but it was guaranteed profits and given tax immunity.

Mr. LANGER. The Senator is stating the exact truth as it appears from the sworn testimony given before our committee. That is exactly the situation.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. LANGER. I yield further.

Mr. GORE. I have never thought the Von Tresckow group or any other private group should build this plant to supply this need unless it could do so as economically as TVA could. Not even the Von Tresckow group believes it can do that. However, from the additional offer which the Senator has read, surely if the TVA is to be denied the privilege of building a plant to supply its own needs, and if private enterprise is to be depended upon to supply the power, we ought to have genuine competition. What is wrong with the competitive system? Why do those who plead against the TVA in the name of private enterprise want no part of it, but instead want an exclusive contract on which no one except a particular group can bid successfully?

Mr. LANGER. That is exactly right. Mr. CARLSON. Mr. President, will the Senator yield?

Mr. LANGER. I yield. Mr. CARLSON. As I heard the telegram read by the distinguished Senator from North Dakota, it seemed to me that the offer was to furnish electricity cheaper than TVA could furnish it.

Mr. LANGER. At the same rate. Mr. CARLSON. At the same rate. In other words, if private industry can com-

pete with TVA, it should be given the opportunity to do so.

Mr. LANGER. That is right.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Tennessee.

Mr. GORE. I took that position with respect to the supplying of power to the Atomic Energy Commission plant at Paducah. If private enterprise can supply the Atomic Energy Commission's needs at Paducah as reasonably as can the TVA, my position is already taken, and that is how I voted.

Mr. LANGER. The telegram refers to furnishing power at 3½ mills to the private companies, and they can use it where they want to.

Mr. GORE. Mr. President, I should like to point out to my distinguished friend from Kansas [Mr. Carlson] that the Atomic Energy Commission has been ordered not to consider the proposal to which reference has been made, not to consider contracts which other people may submit, but it is ordered to negotiate a contract with one concern only, and it is ordered to see that certain provisions shall be in the contract, one of which is complete reimbursement of all taxes.

Mr. CARLSON. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. CARLSON. If I understand correctly, the taxpayers of the United States have poured \$1,800,000,000 into the Tennessee Valley Authority. We now have a private corporation saying it will furnish electricity at the same rate. We do not have any Federal money to expend there at this time. We have to borrow every dollar we use.

Mr. GORE. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield. Mr. GORE. The order precludes consideration of the Von Tresckow offer. The order is to negotiate a contract with Dixon-Yates. The AEC is told to negotiate what kind of a contract, Mr. President? A contract guaranteeing a profit with complete tax reimbursement. It is a "sugar" deal.

Mr. LANGER. Mr. President, there are several unexplained features in the Dixon-Yates situation which cast a very dark shadow over the protestations of innocence of its proponents. First, I have yet to hear a satisfactory explanation of why the Tennessee Valley Authority was not instructed by the President to enter into this contract, rather than the Atomic Energy Commission. Why, Mr. President? The people of the United States are going to ask why a thousand times. Was it Bobby Jones? After all, Mr. President, no one can dispute the fact that the Atomic Energy Commission performs no real function along this line. Private utilities will construct the plant and generate power. The power will go into the TVA transmission lines and, indeed, will be con-tracted for by TVA. What function, in the name of heaven, what possible function, does the Atomic Energy Commission have in connection with this matter? Will some Senator answer that, if he can? I will yield to him to permit him to answer, if he can.

Mr. President, the Atomic Energy Commission is simply a middleman, a broker. It has no real function in this set-up. Can it be that this complicated arrangement has been established to confuse the situation and to take the focus away from the fear of the administration that TVA itself really has no legal right to enter into arrangements with private utilities? Certainly, Mr. President, although there has been much talk about it, we do not know how the construction of the plant at West Memphis is to be financed. We only know that it will cost approximately \$100 million. Unless the Government estimates are incorrect, the Dixon-Yates group will put up only approximately \$5 million. They are going to finance it at great cost to the Government. Over the life of the contract the cost may be \$31/2 million a year greater than it would be if TVA furnished the power. No Senator upon this floor-I challenge him to tell us-has told us how the Dixon-Yates group plan to finance this project and raise the rest of the money necessary for its completion.

So far as we know, neither the Director of the Bureau of the Budget, Mr. Hughes, nor the Atomic Energy Commission, has inquired into this. It is a startling fact indeed. Surely, one would think that the Government, embarking on a project of such vast dimensions, would want to know who was going to put up the money and from where the money would come. If the money is to come from the sale of bonds or of stocks, the Government ought to know what investment banking firms will underwrite the issue, what terms they have procured, on what basis such an issue will be offered to the public, and, generally, whether or not the Dixon-Yates group have substantial and definitive agreements with underwriting houses to assure the Government that they really will raise the necessary capital.

Mr. President, I say, solemnly, that I cannot recall a single instance during the many years I have spent in the Government service, of a large contract being made by the Government without its finding out in advance who is going to put up the money and on what terms.

The mystery is a deep one. Can it be that the Government has not asked about this? Or, if the Government has asked about it, why does it not make the information public? Is something being concealed from us? If so, what is being concealed, and why?

Mr. President, these are serious questions, and we have had no answer to them. That fact alone should preclude any Senator from lending his voice to hasty and ill-considered approval of this proposition.

Mr. President, the Subcommittee on Anti-Monopoly wrote a letter to the Atomic Energy Commission and asked them to hold up this contract until the hearings were concluded. So far, we have not received a response, except an acknowledgment of the letter.

acknowledgment of the letter.

Mr. President, the action of the executive department in this case smacks so much of other actions on its part in two other areas of the country which have been investigated by my committee, that it seems obvious it is a part of a general pattern which seems to exist in the administration's relations with power companies and REA cooperatives.

The first such matter involved the Missouri Basin criteria issued by the Department of the Interior. The second related to the treatment of REA cooperatives in the Southwest by the same Department of the Interior. I shall not take up the time of the Senate to go into those details, but I ask my colleagues to read the records of the hearings to see what this administration is doing to REA cooperatives in other parts of the country.

Mr. President, the administration is acting in violation of the promises made by Dwight Eisenhower, when he was a candidate, speaking at Kasson, Minn.; in South Dakota; and, on October 4, 1952, at Fargo, N. Dak. It was at Fargo that he specifically pledged that, if he was elected President, he would do all he possibly could do to extend the REA, and to help the REA. The farmers were led to believe that he was a friend of the REA and a friend of the housewife.

Today there are 3 million farmers in the Southwest who are trying to get REA, but who must get along with kerosene lamps, while the Department of the Interior is doing all it can to harass those people.

While, as I have said, I have not prejudged the monopoly features of this transaction, let me say what I think of the proposed Dixon-Yates deal. It follows the same pattern of trying to destroy the public power and cooperative power institutions of the country which I have just been talking about. The administration does not even have the honesty to say that is what they are trying to do.

I do not mind having a man disagree with me. I have had many disagreements with good friends. I am willing to go before the public at any time, on any issue, and to let the people decide. But I have no use for a man who does one thing, and tries to tell the people that he is doing something else—and that is exactly what this administration has been doing in the power field ever since it came into office. If any Senator wishes to debate that question upon the floor, I will debate it with him.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Oregon.

Mr. MORSE. I do not wish to debate it; I merely wish to associate myself with the Senator's remarks, and to say that he has spoken the absolute truth with respect to the sorry record of this administration.

Mr. LANGER. I thank the Senator from Oregon.

Here is a quotation from a statement made by Secretary of the Interior Mc-Kay this week in Portland, Oreg. Speaking about the Dixon-Yates deal, the Secretary said:

The power needed by the Atomic Energy Commission can be obtained more cheaply from private utilities than by TVA construction of steam plants—and the private utilities pay taxes, too.

Mr. President, what do you think of a Secretary of the Interior who can issue statements to the press which contain such misinformation, such plain misstatements of fact? Everyone knows that it will cost the AEC a considerably greater sum of money under the Dixon-Yates deal than if TVA were allowed to construct the Fulton plant. That is the sworn testimony, and the Secretary of the Interior knows it. And it will cost a lot more money without taxes. The only question is, Will it cost \$3,500,000 more a year, \$5,500,000 more a year, or even more than that? Everybody knows it will cost more; everybody admits it; everybody, that is, except Secretary of the Interior McKay. He tells the people that the Dixon-Yates deal is a good one because it means cheap power.

Listen to what he says about taxes: And the private utilities pay taxes, too.

Remember, he is discussing the Dixon-Yates deal, and in that deal the Government will have to pay all of the taxes for Dixon-Yates, in addition to giving them their profit. I am becoming sick and tired of governmental officials, such as this man McKay, who continuously tries to mislead the public. I am becoming sick and tired of officials who draw pay from the people, and then use their talents and energy to mislead and deceive the people. I say, here on the floor, that we shall have an opportunity to help put a stop to it.

But, Mr. President, I do not want to be too hard on the Secretary of the Interior, Mr. McKay. After all, he is only a hired man. After all, he has to take his orders from the boss—the President. That is where the responsibility lies. It is with the President.

It was the President who was looking for votes, as I said a few minutes ago, throughout the western area. It was the President, not Mr. McKay, who promised the people that the integrity of the TVA would be respected, and that he would do what he could to help in the expansion of REA. It was Dwight Eisenhower, not Douglas McKay, who made those promises.

It was the President who promised honesty in Government. It was the President who promised a businesslike administration.

Mr. President, what has happened to the integrity of the TVA? What has happened to the businesslike administration of our Government?

Here is a deal which eventually will destroy the TVA, if we do not stop it. Here is a case in which a member of the President's Cabinet, chosen by the President, and responsible to him, deliberately tries to mislead the people as to the facts. Here is a case in which an attempt is being made to give awayyes, I mean exactly that-to give away millions of dollars of the taxpayers' money for the benefit of the power monopolies. It is an attempt to take money out of the pockets of poor people, or of rich people-of the taxpayers-and to turn it over into the pockets of private monopoly.

What about the power monopoly in this case? What about the Public Utility Holding Company Act? Has that been repealed? Is this administration now going to try to extend the power monopoly of the Power Trust, instead of restricting it and keeping it within its proper bounds, as provided for in the Public Utility Holding Company Act? Is the Government going to try to expand the established territory of the Dixon-Yates monopoly power group into Tennessee?

Mr. President, this is not a case of turning the clock back: it is a case of throwing the clock out the window.

I think that it is about time that Congress paid more attention to what the monopolies, especially the power monopoly, are doing. As I see it, they are trying as quickly as possible to take over all the power facilities of the Government. They do not want any more yardsticks like TVA, because even though they are making more money under that yardstick than they ever made before, they are not satisfied. They want to destroy the TVA yardstick and every other public power yardstick, so that they can make even greater profits at the expense of the people. I do not think that Congress will let them do that. I intend to do everything I can to keep the power monopoly within its proper bounds and not let it gobble up the entire power supply of the country.

Mr. President, I want to remind my colleagues that when we are dealing with the power trust, we are dealing with a monopoly, a monopolistic group, and not a free enterprise group. Every once in a while some of the defenders of private monopoly talk about free enterprise-oh, free enterprise. It is almost as sacred to some as the Bible. In this case we are dealing with a power trust, with a monopoly group, not with a free enter-

Mr. MORSE. Mr. President, will the Senator yield for a few questions?

Mr. LANGER. I yield to the Senator from Oregon.

Mr. MORSE. Am I correct in my understanding that one of the points of criticism of the Senator from North Dakota against the bill is that there is nothing in the bill that protects the public in regard to the sale and distribution of power once this monopolistic power group is allowed to get an economic stranglehold on the atomic energy program?

Mr. LANGER. There is not a word, not a syllable, not a sentence, not a paragraph in the entire bill which protects the common man or the common people. as the Senator from Oregon very well knows. He is a very able lawyer and has read the bill.

Mr. MORSE. Will the Senator yield further?

Mr. LANGER. I yield. Mr. MORSE. What does the Senator from North Dakota think would have been the position of the great George Norris, of the great senior La Follette, or. for that matter, the junior La Follette, or of Ladd, Couzens, or Johnson of California, the statesmen in the history of the Senate of the United States who, along with others, fought for the passage of a Federal power policy which would guarantee to all the people the protection of a preference clause?

Mr. LANGER. The distinguished Senator from Oregon knows as well as I that if the pending bill is enacted into law there will be no provision made for the preference clause, and that the men referred to, who are now in their graves, would be betrayed, but not by those of us in the Senate who are trying to carry the torch, headed by such men as the distinguished Senator from Oregon himself. It is our sacred duty to carry on that fight, regardless of the odds, regardless of who may be Secretary of the Interior, regardless of who may be President. Under our oaths, we owe that duty to the people of the country.

Mr. MORSE. Will the Senator yield further?

Mr. LANGER. I yield.

Mr. MORSE. I wish my record in the Senate in the field of fighting for the public interest and public power could begin to approach the great record the Senator from North Dakota has made during his many years of service in the Senate. He stood steadfast in the Senate when some of the great men to whom I referred really fought the battle in regard to the public-power yardstick.

My next question is this: Is the Senator aware of the fact that one of the gimmicks, one of the sleepers, and one of the betrayals of the public interest in the bill is that it provides that the Federal Government shall lease to the private utilities the uranium process, and buy back the plutonium ash, with the result that, in all probability, the private utilities will get the whole thing for nothing, in that the Government will pay more for the plutonium ash and for the so-called defense plant than the private utilities will pay for the leasehold interest? In addition, there is no reservation of the right of the Federal Government to build a reactor for the purpose of selling and distributing the electric power accumulated by the process. Is the Senator from North Dakota aware of that fact?

Mr. LANGER. Of course the Senator from North Dakota is aware of that fact. He has listened to various addresses on the subject, among them that of the Senator from Oregon, and has read the report on the bill. What the Senator states is all the more reason why we should try to get the matter squarely before the people of the country so that they, too, may understand. They do not get from the press all the information they should have, as the distinguished Senator from Oregon very well knows. If this fight is kept up, regardless of consequences, sooner or later the people will get to know the issue involved and understand it, and they will get to know and understand the issue through the leadership of such distinguished statesmen as the junior Senator from Oregon.

Mr. MORSE. Will the Senator yield

further to me?

Mr. LANGER. I yield. Mr. MORSE. Does the Senator from North Dakota agree with me that it is of great importance to emphasize in the debate that, under the provisions of the bill, the Government will turn over to a private-utility monopoly the complete authority and the complete power to build necessary reactors for the development of electric power, and that the bill seeks to prevent the Federal Government from building reactors for the purpose of selling electric power?

Mr. LANGER. The Senator from North Dakota agrees, and I should like to call particular attention to the fact that the proposal is for a 25-year contract. What difference will it possibly make whom we elect to be President 2 years from now, or 6 or 10 years from now? If a 25-year contract is signed, it will last for 25 years, if the contract proves to be legal, and if it is sustained by the Supreme Court. In the meantime, the people will be absolutely hamstrung.

Mr. MORSE. Will the Senator yield

further?

Mr. LANGER. I yield. Mr. MORSE. Does the Senator agree with me that if heretofore there had been followed the same principle the bill enunciates, there would not have been passed the power policy act which authorized the Federal Government to build great multipurpose dams, selfpaying, self-liquidating in nature, from which could be generated power which now serves millions of consumers in the Tennessee Valley and the Pacific Northwest, but that the people of those areas would have had to pay tribute to the private utilities for obtaining power which they now get at cheap rates as a result of the exercise of the public power yardstick? Does the Senator agree with that statement?

Mr. LANGER. Certainly I agree. If the present administration had its way, it would do away with all public-power

projects.

Mr. MORSE. A few days ago we heard a Republican spokesman suggest that TVA is a communistic plot in America, and it has been stated that we ought to turn TVA over to the private utility monopolies. That is one reason why it

is well for us to hold the floor of the Senate these days long enough to awaken the American people from their lethargy and inform them of what this administration is doing by way of giving away the heritage of future generations of American boys and girls in the natural resources of the country.

Mr. LANGER. I agree fully with the distinguished Senator from Oregon.

Mr. MORSE. Does the Senator agree with me that it is very important that we warn the American people, before a vote is taken on the bill, of the tax give-away in the bill, and let them know how cleverly it is worded and that the result will be that the private utilities which will build the reactors will, to all intents and purposes, stand tax-exempt, because the Government will take over the tax burden under the kind of terms the President of the United States proposes in the contract with the private monopoly combine?

Mr. LANGER. Certainly that states the situation as simply as it can be stated.

Mr. MORSE. Will the Senator yield further?

Mr. LANGER. I yield.

Mr. MORSE. Does the Senator agree with me that probably as adequate a phrase as any to describe what the administration is up to in the bill is that it is proposing to sell the American people into monopolistic economic bondage, forcing them to pay tribute to monopoly for years to come for the electric power which will be produced by atomic energy plants?

Mr. LANGER. That is correct; except I would say the administration is selling the consumer down the river.

Mr. MORSE. Let me say good naturedly that I am glad to hear another Republican dare stand on the floor of the Senate and forewarn the American people what this ex-Republican forewarned them about a good many months past, because it was as clear as the nose on one's face what would happen if we did not stop the administration's giveaway program.

Does the Senator from North Dakota agree with me that we must eliminate the monopolistic features of the bill and we must insist that there be written into it amendments to provide for the following, as a minimum, to wit: First, a public-preference clause; second, juris-diction on the part of the Federal Government to build its own reactors, so power can be sold to the American people from the Government's own reactors in competition—by way of a public-power yardstick—with private monopoly; third, elimination of any taxbenefit features which will accrue to private monopolies if the bill in its present form is enacted; and, fourth, that the so-called private-utility reactors be so distributed in the United States that no monopoly for power development can be obtained by a monopolistic combine over the economy of any large segment of the country? Does the Senator from North Dakota agree with me that unless those safeguards and guaranties are written into the bill, it would be better that no bill at all be passed?

Mr. LANGER. That is entirely correct; and I am going to support every one of those amendments, if they are submitted on this floor.

Mr. MORSE. They will be submitted, as the Senator from North Dakota

knows, plus many more.

Mr. LANGER. They are most vital. Mr. MORSE. In referring to those amendments, we outline some of the great dangers and some of the most vicious principles that are incorporated in the bill. In order to eliminate them, we must adopt amendments along the line of the four principles I have just suggested.

Last of all, let me ask the Senator from North Dakota whether he agrees with me that we really are discussing on the floor of the Senate, insofar as domestic legislation in the field of natural resources is concerned, one of the issues that must be taken to the platforms of the country between now and election day in November, in order to make clear to the American people why some of us insist that at the election boxes we must place a check upon the Eisenhower administration in the field of natural resources, as well as in other fields?

Mr. LANGER. I concur fully and completely in that statement. I sincerely hope the distinguished Senator from Oregon may be given good health, so that he can be in the very forefront of that fight. It would be a terrific loss to the people of the United States if, during the coming months, something should happen to the distinguished Senator from Oregon, either by illness or some other untoward event, so that he would be unable to keep up his fight for the rank and file of the people of the country.

Mr. MORSE. I appreciate the interest of the Senator from North Dakota, but let me say to him that in all my life I was never in better fighting shape than I am in now; and in the campaign we will take the fight to President Eisenhower, because in a recent press conference he laid down the issue, when he said he was willing to take his legislative record to the people in the coming campaign. I am ready to meet him on that issue, because on that issue he does not deserve a Republican majority in the Congress, as a result of the November 1954 election.

Mr. LANGER. Mr. President, I wish to continue with my remarks. Once more I desire to remind every Member of the Senate that when we are dealing with the power trusts, we are dealing with a monopoly group, not a free enterprise group. It has been pointed out over and over again that private electric utilities are not part of the free-enterprise system. They are protected mo-nopolies. They are kept free of competition; and anyone in their area who wants electricity must buy it from them, and must pay their rates. If their costs go up, legally or otherwise, they get an increase in their rates. Why, Mr. increase in their rates. Why, Mr. President, even the salaries of the various lobbyists they hire to do their work in Washington are included in the costs which are paid by the taxpayers. One of those lobbyists is paid \$65,000; and all those costs are added to the rates for electricity, and are paid by the people who use it. All those costs are placed upon the backs of the taxpayers.

Protected as they are, and with electricity as important to modern life as it is, these monopolies have practically a guaranteed profit. They are not free enterprise, and they are not entitled to use the arguments of free enterprise in their favor. Let us remember, and never forget, that they are protected monopolies completely outside of our system of free enterprise.

Mr. President, this is not the case of a farmer who takes his chances with drought, heat, chinch bugs, and all the other problems the farmer has to meet. This is not the case of a miner who, because of a drop in the price of zinc or lead, may lose his job. This is not the case of a small-business man who takes his chance of surviving in the struggle for existence. These monopolies are protected, and they are guaranteed a profit. They are not a part of the free enterprise system we hear so much about. Let us never forget that they are a protected monopoly, completely outside our system of free enterprise.

I wonder how many of us have given really serious thought to what the President has done in this case, quite aside from the power issue, as such. He has put probably the most important agency in the Government, the Atomic Energy Commission, right in the middle of the most controversial of all matters, namely the power issue. He has made the Commission an instrument in the fight of the power trust against the public power and cooperative power institutions of this country. This is one of the rottenest aspects of this whole proposition. The Atomic Energy Commission should never be made a controversial agency. It has too much important work to do. It must not be put in a position where it is bound to lose the respect and trust of a large percentage of the people. Let it stick solely to matters of atomic energy, and keep out of the attempt to scuttle public power.

Mr. President, can you not see the harm that will be done if this deal goes through? In that event, can we expect the people in the Tennessee valley to have any faith in the Atomic Energy Commission? Can we expect them to believe that the Atomic Energy Commission has the people's interests at heart, and will administer atomic energy for the greatest good of the people? Outside of the Tennessee Valley, the countless millions of our citizens need these public power installations, need these rural electric cooperatives, and believe that power is a natural resource, and should, wherever possible, be used for the greatest benefit of the people, instead of for the greatest profit for the power trust. Can these people any longer have faith or trust in the Atomic Energy Commission? I tell you, Mr. President, if this deal goes through, the President will have destroyed the Atomic Energy Commission as an effective instrument for administering the atomic energy problems of the country. At

some future date—and not too far in the future—he will have to scrap the AEC and establish a new body, because the people will have lost their faith in the AEC.

Do we dare permit this to happen in this critical moment of the world's history? Can we let the President destroy the effectiveness and integrity of one of the most important agencies in our Government?

Where will this process stop? If we let the President destroy the statutory powers of AEC, if we let him remove all of their discretion and substitute his own orders in place of their considered opinions, how can we object if he later tells the Federal Power Commission how to decide the big disputes before it? Or the Federal Communications Commission, or the Federal Trade Commission or the Interstate Commerce Commission. or any other independent agency of the Government? If we let this disgraceful deal go through, we shall have set a precedent which can destroy the entire structure of our executive branch.

This is one of the most disgraceful deals I have yet encountered in all my service in government. What makes it even more disgraceful is the fact that it comes straight from the White House. The President himself has ordered this deal. I say that it is high time that this body stepped in to stop the President from making this deal.

The bill before us today would make possible more Dixon-Yates deals in the future. It will take us further along the road to the destruction of public power in this country. As was stated so eloquently a few moments ago by the distinguished Senator from Oregon [Mr. Morse], it would make possible the ultimate and complete sellout of the power resources of this Nation to private interests so that public power can be exploited for selfish and swollen profits.

I am against this bill. I am against it because it contains no preference provisions for cooperative and public power groups. I am against it because it contains no antimonopoly provisions. I am against it because it favors large corporations at the expense of small business. I am against it because it surrenders the public interest, and the rights of farmers, laborers, and consumers to the selfish interests of big business. I am against it because it violates the right of the people to control the natural resources of this county; and that includes power and electrical energy.

Mr. President, this is bad, rotten legislation; and for the reasons I have stated, I shall vote against the bill, and I urge my colleagues to do likewise.

I expect within a short time to deliver another speech on this floor on this subject, before we are called upon to vote on perhaps the most important piece of domestic legislation we shall be called upon to consider at this session.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Martin
Barrett	Green	Murray
Bricker	Hayden	Neely
Burke	Hendrickson	Pavne
Bush	Hickenlooper	Russell
Butler	Hill	Saltonstall
Carlson	Holland	Schoeppel
Cordon	Jenner	Stennis
Crippa	Johnson, Tex.	Thye
Dworshak	Johnston, S. C.	Upton
Ervin	Knowland	Welker
Ferguson	Kuchel	Wiley
Flanders	Langer	Williams
Fulbright	Lennon	Young
Goldwater	Mansfield	

The PRESIDING OFFICER (Mr. Payne in the chair). A quorum is not present.

Mr. MARTIN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. Anderson, Mr. BEALL, Mr. BENNETT, Mrs. BOWRING, Mr. Bridges, Mr. Byrd, Mr. Capehart, Mr. Case, Mr. Chavez, Mr. Clements, Mr. Cooper, Mr. Daniel, Mr. Dirksen, Mr. Douglas, Mr. Duff, Mr. Eastland, Mr. ELLENDER, Mr. FREAR, Mr. GEORGE, Mr. GILLETTE, Mr. HUMPHREY, Mr. IVES, Mr. Jackson, Mr. Johnson of Colorado, Mr. Kennedy, Mr. Kerr, Mr. Kilgore, Mr. Lehman, Mr. Long, Mr. Magnuson, Mr. MALONE, Mr. MAYBANK, Mr. McCAR-RAN, Mr. McCarthy, Mr. MILLIKIN, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. REYNOLDS, Mr. ROBERTSON, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. SYMINGTON, and Mr. WATKINS entered the Chamber and answered to their names

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. Ferguson].

Mr. ERVIN. Mr. President, in rising for the purpose of offering a substitute for the amendment proposed by the distinguished senior Senator from Michigan [Mr. Ferguson], and for the purpose of explaining my substitute, I am ignoring the rule that a new Senator, like a child, should be seen, rather than heard.

After all, I have the honor of aiding my colleague, the distinguished Senator from North Carolina, in representing in this body the 4 million people of our State.

Within the past few years, death has entered the Senate Chamber 3 times to still the throbbing hearts of 3 great North Carolina Senators. As a consequence, if the voice of North Carolina is to be heard in the Senate, it is necessary that it be through the voice, so far as I myself am concerned, of a Senator who is a neophyte.

The people of olden times did not use some of the terms which we use in discussing the problems which arise in connection with section 164 of the proposed bill. They did not speak about amperes, volts, or watts. They talked about

horsepower. In rising, I hope I may be able to contribute just a little horsesense to the discussion about horsepower.

The TVA has done a wonderful task in the Tennessee Valley in harnessing the streams of the valley, in promoting flood control, and in preventing soil erosion. The taxpayers of the United States have been very generous to the TVA, because they have contributed altogether, according to my understanding, \$1,800,000,000 to the development of the Tennessee Valley. The magnitude of that sum is more readily understood by me when I realize it is the equivalent of a contribution of \$450 from every man, woman, and child in North Carolina.

I think the situation can be clarified if we remember that we are not concerned with the harnessing of the waters in the rivers of the Tennessee Valley; that we are not concerned with the promotion of flood control in the Tennessee Valley; that we are not concerned with the prevention of soil erosion in the Tennessee Valley; that we are not even concerned with the erection or the operation of an auxiliary steam plant to supplement hydroelectric power generated from the streams of the Tennessee Valley in times of low water.

So far as section 164 of the bill is concerned, we are fundamentally and solely concerned with a determination of who shall operate a steam plant to furnish the electric power necessary for the operation of the atomic energy installation at Paducah, Ky. According to my way of thinking, the questions of who shall erect a steam plant and who shall shovel coal into the furnaces of such a steam plant, in order to generate electric power, are fundamentally commercial questions.

According to my way of thinking, the Federal Government, either itself, or through any of its agencies, ought not to furnish a commercial service, if a private industry is able and willing to furnish such service at reasonable rates.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ERVIN. First, I wish to finish my statement; then I shall yield to the Senator. I trust I shall not be too long in my statement.

The substitute which I propose for the amendment to section 164, offered by the distinguished senior Senator from Michigan, is twofold in nature. In the first place, it incorporates, in exact terms, the proposal made by the distinguished senior Senator from Michigan. As he explained in presenting his amendment, some question has been raised concerning the legal capacity of the Atomic Energy Commission to enter into the proposed contract, or any other contract of that nature, and he has offered his amendment simply to clarify the situation.

I have incorporated his amendment in my proposed substitute, so that any doubt may be removed as to the legal capacity of the Atomic Energy Commission to make a contract either with a private utility or with any governmental agency, or with anyone else on the face of the earth, to obtain replacement power necessary for the atomic energy installation at Paducah. So I think that if we adopt the substitute containing that clarification, all we shall be doing is to follow in the footsteps of the good Lord, when He confronted His disciples and found that 1 of the 11 was somewhat doubtful about whether He had actually risen from the dead. He merely clarified the situation for doubting Thomas.

The first part of my proposed substitute does nothing whatsoever except to clarify the question of the legal right and the legal power of the Atomic Energy Commission to enter into a contract with any person, whether it be a private utility or a governmental agency, to obtain replacement power of the nature required for its operations. I do not see how anyone could object to that part of the substitute amendment.

Before coming to the second part of my amendment in the nature of a substitute, I should like to tell a story. It may be an old one, but it points a moral. I live in the foothills of the Blue Ridge Mountains of North Carolina. One of my mountain constituents came down to my home town to pay his grocery bill. When he was informed by the store-keeper as to the amount of the grocery bill, he thought the amount was a little higher than it should have been, so he began to grumble.

The storekeeper got his account books, laid them on the counter in front of my mountaineer friend, and said, "Here are the figures. You know, figures do not lie."

My mountain friend scratched his head and said to the storekeeper, "I know that figures do not lie. But liars surely do figure."

Not only do liars figure, but honest and honorable men, like Members of the Senate, disagree as to the interpretation and meaning of figures. I have listened to Senators who have taken one side or the other in connection with the proposal allegedly made to the Government by the Dixon-Yates group and about the negotiations heretofore had with that group. Some Senators, in whom I have implicit confidence, say that the figures which have been mentioned in the negotiations thus far indicate that the Government is about to be ravished. Other Senators who have spoken on the same subject, and in whom also I have implicit confidence, have stood on the floor and said that all the figures mentioned in the negotiations are fair and just to the Government.

I should like to believe Senators who have taken positions on both sides of the proposal, but I simply do not know which Senators are right. I do not think the floor of the Senate is the place for us to determine that question; nor do I think a contract can be written on the floor of the Senate.

Therefore, I have included in my amendment in the nature of a substitute a proposal which I have borrowed from the distinguished junior Senator from New Mexico [Mr. Anderson]. I have lifted it bodily from his proposed amendments, or from some which he has announced he intends to propose. After the provision giving the Atomic Energy

Commission undoubted legal power to make a contract with any private utility or any governmental agency to furnish the replacement power which is necessary, my amendment provides that the contract must be submitted to the Senate and House Joint Committee on Atomic Energy, and shall lie before the joint committee for 30 days while Congress is in session, unless that requirement is waived by the committee, in writing.

I do not propose to favor any particular contract, and I do not propose, as a Senator, to say which group is right in its interpretation of the figures. Therefore, I offer the second part of my substitute for the amendment proposed by the senior Senator from Michigan, in order to provide, in the first place, that the members of the Atomic Energy Commission, in whom I have implicit confidence, shall have the legal right to enter into a contract with whichever private utility or Government agency may be able and willing to make power available.

As an additional safeguard, I propose that after the members of the Atomic Energy Commission have made such a contract, they shall file it with the Joint Committee on Atomic Energy of Congress, which is composed of some of the ablest Members of the Senate and the House of Representatives. On that committee is a Representative from my State, CARL DURHAM, whom I have known ever since he and I were college mates at Chapel Hill. I would be willing at any time to place the welfare of the United States in the hands of CARL DUR-HAM, because I know he is intellectually honest, and courageous to the highest degree.

I am willing to trust the integrity, the intelligence, and the patriotism of the members of the Atomic Energy Commission to make a contract with any private utility or any public body which will furnish needed electric power for the use, indirectly, of the Atomic Energy Commission, at reasonable rates. If it is felt the Commission cannot be trusted, Senators may still vote for this provision with good grace, because the additional protection is provided that the contract will be scrutinized by the members of the Joint Committee on Atomic Energy before the contract can become effective.

I am willing to put implicit confidence in the integrity, the intelligence, the patriotism, and the good business judgment of the distinguished members of this body and of the House who are members of the joint committee.

I have briefly stated the purpose of my amendment in the nature of a substitute for the amendment of the Senator from Michigan.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ERVIN. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. First, I should like to compliment the Senator on his very good judgment and discrimination in regard to this matter, as evidenced by his remarks. I think he understands the situation quite well. I should like to inquire whether it is the Senator's inten-

tion to make approval by the Joint Committee on Atomic Energy a condition precedent to the effectiveness of the contract.

Mr. ERVIN. That is not my intention, because I believe the question of writing a contract is executive in nature, rather than legislative. Under my proposal if the members of the joint committee of the Senate and the House do not approve the contract, it will then lie before them for 30 days while Congress is in session. If Congress thinks the contract as proposed is improper or unfair to the Government, it can take such action as it sees fit.

Mr. FULBRIGHT. Suppose a Member of Congress did object to it, made a speech on the floor of Congress condemning it, and then the 30 days elapsed, would the contract then be legally effective?

Mr. ERVIN. If the contract were lodged with the joint committee for 30 days while Congress was in session, then the contract would become effective unless Congress took affirmative action to the contrary. That is my understanding. But nothing can be done without the consent of the joint committee until the contract has been in a sense on the table before the committee for 30 days, while Congress is in session.

Mr. FULBRIGHT. So far as I can see at the moment, I think the proposal is a worth-while contribution; I should like to consider it a little longer, but it strikes me as having much merit. However, if it is to be adopted, I deem it important that it should be very clear, because it might be objectionable from the stand-point of assuming to interfere with the executive function. It is not the Senator's intention, is it, that the provision should operate as a veto or should give the power of veto to the Joint Committee on Atomic Energy, or should actually affect the validity of the contract other than result in a delay of 30 days?

Mr. ERVIN. I think the making of a contract is a matter for the executive branch of the Government, in a sense, and that the legislative branch ought not to interfere with that function of the Executive. The provision would merely guarantee that if the joint committee did not approve a contract, it would have to lie before it for a certain period, so that the legislative branch of the Government might consider whether the contract was so outrageous in character that it should review the power to make such a contract.

Mr. FULBRIGHT. What the proposal of the Senator is guaranteeing is consultation rather than approval of a veto power, is it not?

Mr. ERVIN. That is right.

Mr. FULBRIGHT. I thank the Sen-

Mr. ERVIN. Mr. President, I offer my amendment as a substitute for the amendment of the Senator from Michigan [Mr. Ferguson]. I send my amendment to the desk, and request its immediate consideration.

The PRESIDING OFFICER (Mr. Bush in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment submitted by Mr. FERGUSON,

it is proposed to insert the following on page 80, in line 9:

The authority of the Commission under this section to enter into new contracts or modify or confirm existing contracts to provide for electric utility services includes, in case such electric utility services are to be furnished to the Commission by the Tennessee Valley Authority, authority to contract with any person to furnish electric utility services to the Tennessee Valley Authority in replacement thereof. Any contract hereafter entered into by the Commission pursuant to this section shall be submitted to the joint committee and a period of 30 days shall elapse while Congress is in session (in computing such 30 days, there shall be excluded the days in which either House is not in session because of adjournment for more than 3 days) before the contract of the Commission shall become effective: Provided further, That the joint committee, after having received the proposed contract, may by resolution in writing, waive the conditions of or all or any portion of such 30-day period.

Mr. LENNON. Mr. President, will my

colleague yield to me?

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the junior Senator from North Carolina yield to his colleague?

Mr. ERVIN. I am glad to yield to the senior Senator from North Carolina.

Mr. LENNON. Mr. President, I should like to express my appreciation to my distinguished colleague for the submission of the substitute amendment, which I think will go a long way toward clarifying the understanding and the feeling of the Members of the Senate regarding this measure.

I wish to ask my colleague a question. He has heard the debate and the colloquy on the bill during the last number of days. From what he has heard, is he of the opinion that the Dixon-Yates proposal can actually and truthfully be considered an assault on the TVA sys-

tem, as such?

Mr. ERVIN. I do not so consider it, because in my opinion the TVA system fundamentally is for the generation of hydroelectric power, for soil conservation, and for flood control, rather than to engage in a commercial business.

Mr. FERGUSON. Mr. President, will the Senator from North Carolina please speak louder, so that we on this side of

the aisle can hear him?

Mr. ERVIN. I shall be glad to. I was giving an explanation, in answer to a question put to me by my senior colleague. I said that I do not consider that the action of the Atomic Energy Commission in obtaining needed replacement power from a private industry could properly be considered an attack on the TVA system, because I consider the TVA fundamentally to be dedicated to the harnessing of water power and to developing hydroelectric power, soil conservation, and flood control, and not to be for the purpose of engaging in commercial business.

Mr. LENNON. Mr. President, will the Senator yield for one further question?

Mr. ERVIN. I yield.

Mr. LENNON. Much has been said in recent days in the debate on the pending bill to the effect that one of the most objectionable features of the proposed contract was that there were no bids to furnish power from private utilities. I wonder if the Senator can tell us whether or not it would have been practicable for the Government, in its effort to obtain electricity for the plant at Paducah, to have obtained bids.

Mr. ERVIN. All generators of power necessarily have to obtain certificates from their State regulatory bodies authorizing them to engage in the production and sale of power, since they are necessarily public utilities. It is quite natural to ask for bids from the power companies which are now authorized to do business in the area where the power is to be generated. I do not know whether that is a sufficient answer.

Mr. LENNON. Then, judging from what the Senator says, it would have been impracticable to obtain bids from those industries or power companies which would have been able to provide power for this particular plant.

Mr. ERVIN. Yes. However, if this substitute were adopted, the Atomic Energy Commission would be at liberty to obtain the necessary replacement power under contract from any source which might be able to make such power available.

Mr. LENNON. I wonder if the Senator finds anything unconscionable about the proposal to obtain power from private industry for the use of the Atomic Energy Commission plant at Paducah.

Mr. ERVIN. I do not, because I think the mere operation of a steam plant, the shoveling of coal into a steam plant and the generation thereby of electric power, is fundamentally a commercial enterprise. I think all commercial enterprises ought to be conducted by private enterprise if private enterprise is able and willing to conduct the operation at reasonable rates.

Mr. LENNON. Has the Senator any views with respect to the discussion which has been had on the floor of the Senate, to the effect that this particular private enterprise should have a refund of Federal taxes?

Mr. ERVIN. I have a conviction that anyone who is engaged in business must pass his taxes on to his consumers, and that when his consumer happens to be the Federal Government, he must pass them on to the Federal Government. I do not think anyone in the present age could stay in any kind of business and not pass on his Federal income taxes, whoever his consumer may be.

Mr. LENNON. Does the Senator belive that there would have been any other manner in which the AEC power could have been obtained except through private negotiations such as have been suggested?

Mr. ERVIN. I think the power would have to be derived from a private source by negotiations between the governmental agency concerned and the private source, because there is no way to write a contract on any other basis. All contracts are give-and-take propositions.

Mr. LENNON. I understand that the Senator is not opposed in any manner to the policy which has been followed by the Congress over a period of years, of providing help in the development of hydroelectric power.

Mr. ERVIN. I am not. I am strongly in favor of any proposal for the Federal Government to assist in the conservation of the natural resources of the country; and wherever it is necessary for the Federal Government to step in and aid with those problems I will be in favor of it as long as I am here.

Mr. LENNON. I thank the Senator for his explanation.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. BUSH. I do not quite see why the Senator wants to have the contract stalled in the joint committee for any period of time. Let us assume that the amendment becomes law. There is a proposal before the Atomic Energy Commission for an organization to spend \$105 million or \$107 million, all based upon present rates for money, present costs of construction, and all that. I believe, of course, that the joint committee should be advised, and have complete details with respect to any contract of this nature. I should like to see the amendment provide that any such contract be filed with the joint committee, so that the committee may examine it: but the possibility of holding up the transaction for a period of months seems to me not to have very much point to it, the idea being, as the Senator has said, that when the Congress comes back into session some Member of either House may make a speech about the contract if he does not like it. If he knows what is in the contract, and if he does not like it, he can make a speech about it later. I have the feeling—per-haps the Senator can correct me—that this is somewhat an invasion of the rights of the executive branch, and puts the legislative branch in a contractmaking position, which is not quite what is intended by the Constitution.

Mr. ERVIN. I will say to the distinguished Senator from Connecticut that up until the 11th day of June I had some responsibility in connection with interpreting laws, and I could speak with some authority. However, I relinquished the position in which I could speak with authority on the question of interpreting laws.

The proposed substitute contains the following proviso:

Provided, however, That the Joint Committee, after having received the proposed contract, may, by resolution in writing, waive the conditions of or all or any portion of such 30-day period.

My interpretation may be wrong. It is my individual interpretation that under that provision the Joint Committee on Atomic Energy could act, even in the absence of a session of Congress, but it would not act if it did not think the contract was a proper contract; and in that event the 30-day provision would come into effect.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. FERGUSON. Let me present one or two hypothetical questions.

Suppose the Congress was in adjournment sine die on September 1, and there was delivered to the Joint Committee on

Atomic Energy a contract. The first hypothetical case is one in which nothing is done by the Joint Committee. As I understand, the Senator's interpretation would be that, 30 days after the Congress met, the Executive could enter

into a contract. Is that correct?
Mr. ERVIN. Yes. When the 30 days expired and Congress had not done anything about it, it would become operative.

Mr. FERGUSON. The second hypothetical case is this: On September 1, when Congress is not in session, a contract is delivered to the Joint Committee on Atomic Energy. The joint committee holds a meeting, and at a regularly constituted meeting-which is authorized under the statute whether Congress is in session or not, because it is a statutory committee, a continuing committee—the joint committee waives both the question of the Congress not being in session, which is covered by the language "waive the conditions of," and also waives the time limit. Therefore, the contract could go into effect at the date of the waiver under a resolution of the joint committee?

Mr. ERVIN. That is my personal interpretation.

Mr. FERGUSON. The Senator is offering this amendment as a substitute for the amendment of the Senator from Michigan.

Mr. ERVIN. Yes.

Mr. FERGUSON. The first part of the Senator's proposed substitute is identical with the amendment which the Senator from Michigan has offered.

Mr. ERVIN. As the Senator from Michigan knows, of course, the personal interpretation of any one person may be different from that of a court which decides a case. This is my personal interpretation.

Mr. FERGUSON. Both the Senator and I have served on the bench. It is true, is it not, that if the interpretation of those presenting the proposal, or of the committee, as shown by the RECORD, is ambiguous, the interpretation by the court is based upon what is considered to have been the intention in the legislative process.

Mr. ERVIN. Yes. As the Senator from Michigan has pointed out, the joint committee would have the right to waive both the conditions and the time. One of the conditions relates to the question of whether or not the Congress is in session; and the time is 30 days. If the joint committee is satisfied with the fairness of the contract, and if it meets in the absence of a session of Congress, it may waive the conditions. If it does not waive them, then the 30 days do not begin to run until Congress is in session. In that way protection is afforded against any improper contract being entered into, and the procedure is expedited if the joint committee thinks the con-

tract is fair.
Mr. BUSH. Mr. President, will the Senator yield for an observation?

Mr. ERVIN. I yield to the Senator from Connecticut. Then I shall yield to my distinguished senior colleague.

Mr. BUSH. I believe I understand the purpose of the Senator's amendment. and I believe it has some merit in providing that certainly the joint committee should be fully advised in connection with any important contract of this kind. However, I do not like the possibility, as presented in the theoretical case of the Senator from Michigan [Mr. FERGUSON]. of a possible delay in the execution of a contract by as much as 6 or 7 months, which could result from this kind of amendment.

Contracts of this kind are based on conditions approximately current. The money market is a very important consideration in the financing of a \$100 million contract. The same situation applies to the cost of machinery, and everything else that goes into a steam plant. In other words, the costs must be considered, and they are an important element in a large contract. The machinery and other things that go into the kind of plant we are considering amounts to another \$100 million of cost.

I believe such an amendment would place a restraint on the Executive if it were necessary for the joint committee to have a look at the contract before it could become effective, and it would cause a delay of perhaps as long as 6 or 7 months and the delay could be longer, if Congress adjourned earlier.

I beg the Senator to give that point a little more consideration before we come to a vote on the amendment. I do not wish to ignore the Joint Committee on Atomic Energy in its proper place in this procedure. I believe it has a proper place, but I do not think it should have contract-making authority.

Mr. ERVIN. I do not believe it would have contract-making authority under my amendment. I am not interfering with the joint committee. I am not giving it veto power over any action of the Atomic Energy Commission in connection with any contract the Atomic Energy Commission might make. I merely provide in the amendment that unless the joint committee is satisfied that the contract is fair, there will be an opportunity for Congress at the next session to withdraw the legislative authority to make the contract.

I can appreciate the Senator's position, but my answer is a fundamental answer. I believe private enterprise can do this job in 1954. I believe private enterprise can do it in 1955. Therefore, I am not worried too much about the difficulty private enterprise might have in 1955 over what it might have in 1954.

Mr. BUSH. Mr. President, will the Senator yield further?

Mr. ERVIN. I yield.

Mr. BUSH. If the Senator from North Carolina insists on giving the joint committee an opportunity to look at a contract before it becomes effective, I wish he would give some further consideration to an alternative which would provide that a contract once signed should be submitted immediately to the joint committee, and that the joint committee should have an opportunity for a period of, say, 30 days to study the contract. If the Atomic Energy Commission did not hear further from the joint committee, the contract would become effective. If the joint committee had some serious reservations, it would have an opportunity to take the matter up with the executive. It could even ask for an extension of 30 days, if it had some serious objections. However, I do not believe we should run the risk of having a contract stalled for as long as 6 or 7 months.

Mr. ERVIN. The distinguished Senator from Connecticut may come up with a proposition that I may like better than my own. If I do, I shall be glad to accept it.

Mr. BUSH. I thank the Senator. Mr. ERVIN. I now yield to my dis-

tinguished senior colleague.

Mr. LENNON. With respect to all that has been said about the Dixon-Yates proposal, and it being considered by many as somewhat of an innovation, does not the Senator believe that to give the Joint Committee on Atomic Energy an opportunity to look at the contract would have a very salutary effect by assuring the people of the Nation that the contract would be in the public in-

Mr. ERVIN. It would assure the people of the Nation that we are more concerned with getting the needed electric power from private enterprise at reasonable rates than we are in providing that any particular private utility shall furnish the power.

Mr. LENNON. The Senator believes, does he not, that by his amendment, which assures the American people that their representatives in Congress, through the Joint Committee on Atomic Energy, shall have a "look see" at these contracts, that the American people will have confidence that the contracts are in the public interest and not in the interest of a so-called private monopoly, as the reference has been made on the

Mr. ERVIN. The Senator is abso-

lutely correct.
Mr. LENNON. I share the Senator's views on his amendment.

Mr. COOPER. Mr. President, will the Senator vield?

Mr. ERVIN. I yield. Mr. COOPER. May I ask the distinguished Senator from North Carolina if I am correct in understanding that the prime purpose of his amendment is to make it clear that AEC could enter into a contract with a power company to replace power in the Tennessee Valley Authority system?

Mr. ERVIN. That is correct.

Mr. COOPER. Is that the essential purpose of the amendment?

Mr. ERVIN. That is one of the essential purposes of the amendment. other is that after a contract is made it shall be scrutinized by the joint committee.

Mr. COOPER. I shall take the first essential purpose. In offering amendment, has the Senator done so because he has doubts that section 164 on page 79 of the bill authorizes the replacement of power to the TVA?
Mr. ERVIN. I do not personally have

any grave doubts on that score. However, some Members of the Senate, for whose judgment I have a very high respect, do have such doubts. Therefore I am willing to extend to them what I believe we should extend to them, namely, the same consideration that the good

removing their doubts.

Mr. COOPER. Of course, the amendment speaks about the making of a contract. Does the Senator imply that to make the contract effective the TVA must also assent to the introduction of power into its system?

Mr. ERVIN. No, I do not; because I concede that the Tennessee Valley Authority is a servant of all the people of the United States, and that the Tennessee Valley Authority is willing to obey any direction given to them by Congress.

Mr. COOPER. Is it not true that both the Tennessee Valley Authority and the AEC are independent agencies created by Congress? I know that the distinguished Senator is an experienced lawyer. Does he think that either has any power other than the power defined in the acts which created them and granted to them by Congress?

Mr. ERVIN. In reply I should like to say that I believe the powers of any agency are those which are given expressly by law or those which are necessarily implied by law. I do not know whether I misconstrue the Senator's

question.

Mr. COOPER. I should like to propound a hypothetical question to the Senator. Let us suppose we are not dealing with the TVA at all, and that the area of the TVA was being served by a private power company. Would the Senator say that if AEC wanted to contract with X company or with the Dixon-Yates Co. to replace power furnished by a private power company, that it could be done unless the private power company wanted or needed the power itself?

Mr. ERVIN. I do not know whether I understand the question. If I do, my answer is that the Tennessee Valley Authority is an agency of the United States, and the Tennessee Valley Authority ought to be willing to do anything which Congress directs it to do, even though it might not satisfy the notions of some of

those in charge of the TVA.
Mr. COOPER. The amendment does not require the Tennessee Valley Authority to accept power. The Senator says the AEC can make the decision as to the amount of power the Tennessee Valley Authority might need in replacement and could force the introduction of

that power into its system.

Mr. ERVIN. I have a high respect for the TVA and what it has accomplished. If this substitute should be adopted the TVA should not be willing to obey the law of Congress. I think we have created a Frankenstein. I cannot imagine TVA not obeying. I believe it is implied that it will comply with whatever is done under this substitute, if the substitute shall become law.

Mr. COOPER. I am not talking about what the effect would be if there should be a voluntary agreement. I am speaking of the power given the authority. Does the Senator consider that AEC has the power and authority to make a decision affecting a primary function of the Tennessee Valley Authority made so by statute enacted by Congress?

Mr. ERVIN. If the substitute shall become law, and it authorizes the AEC

Lord extended to Doubting Thomas, by to make a contract it supersedes, as matter of law, every provision of law to the contrary, because the last word of Congress is the law of the land. The other provisions of law would be modified to that extent.

> Mr. COOPER. Does the Senator believe that his amendment would require the Tennessee Valley Authority to accept replacement power even if, in its own opinion and determination, it would not be best for the operation of the system?

> Mr. ERVIN. I do, because I do not think the servant ever becomes greater than the master. If the Tennessee Valley Authority insisted on its way, when its way conflicted with the will of Congress, I think we would have a very bad situation. I think it would yield; I think it would accept power furnished under the contract authorized by this substitute, whether the head of TVA thought it was justified or not.

> Mr. COOPER. What the Senator is saying is that the AEC would make pol-

icy determinations.

Mr. ERVIN. No. I am saying that the AEC would have the legal right to obtain the power and could require the TVA to accept that power to be fed into its distribution system, which was not built at the expense of the TVA, but at the expense of all the taxpayers of the United States.

Mr. COOPER. Then the purpose of the Senator's amendment is to give the AEC power to determine policy for the TVA.

TRANSFER OF HEALTH FACILITIES FOR INDIANS TO PUBLIC HEALTH SERVICE—CONFERENCE REPORT

Mr. WATKINS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians the Public Health Service, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede its disagreement to the amendments of the Senate Nos. 1 and 3 and agree to the same.

That the House recede from its disagreement to the amendment of Senate No. 2, and agree to the same with an amendment, as follows: In lieu of the matter inserted by the Senate, insert the following: Page 2, line 2, after "Welfare" insert ": Provided, That hospitals now in operation for a specific tribe or tribes of Indians shall not be closed prior to July 1, 1956, without the consent of the governing body of the tribe or its organized council.

And the Senate agree to the same. ARTHUR V. WATKINS, HENRY C. DWORSHAK, THOMAS H. KUCHEL CLINTON P. ANDERSON. ALTON LENNON, Managers on the Part of the Senate. WESLEY A. D'EWART, E. Y. BERRY, JACK WESTLAND, WAYNE N. ASPINALL, JAMES A. HALEY, Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. GORE. Mr. President, in the absence of a Member of the Senate who is interested in this report, I suggest the absence of a quorum. I shall withdraw my request as soon as that Senator returns to the chamber.

The PRESIDING OFFICER. The

Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Bush in the chair). Without objection, it is so ordered.

Is there objection to the present consideration of the conference report.

Mr. KNOWLAND. Mr. President, I understand that it is agreeable to the distinguished Senator from Utah [Mr. WATKINS] that action on the conference report be deferred at present, until the Senator from Oklahoma [Mr. Mon-RONEY] can be in the Chamber. I ask unanimous consent, therefore, that the report be temporarily laid aside.

The PRESIDING OFFICER. Without objection, the report will be temporarily laid aside.

REVISION OF THE ATOMIC ENERGY **ACT OF 1946**

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. REYNOLDS. Mr. President, on a number of occasions during the course of the debate the word "socialism" has been used in connection with the activities of the Tennessee Valley Authority. The proponents of that philosophy have challenged such an application of the word. In the prairie country, whence the junior Senator from Nebraska hails, we have a rather quaint custom of referring to a volume known as Webster's Dictionary when we have any doubt as to the meaning or the application of a word. I have followed that custom in this connection and have referred to the Senate's own copy of Webster's Dictionary, which I take it is the last authority on the floor of this body as to the meaning of words. Webster's definition of "socialism" is as follows:

A political and economic theory of social organization based on collective or government ownership and democratic manage-ment of the essential means for the produc-tion and distribution of goods. I submit that if that is not an accurate definition of the activities of the TVA, then the late Noah Webster should perhaps be recalled to write a new one.

While the eminent and learned Noah is universally known as a leading authority on lexicology, few people have referred to him as a prophet. But what marvelous foresight, what amazing foresight he had when he wrote into his definition of the word "socialism" the two words "democratic management," although the printer failed to print "democratic" with a capital "D."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. Ervin], in the nature of a substitute, to the amendment of the Senator from Michigan [Mr. Ferguson].

Mr. HICKENLOOPER. Mr. President, will the Senator from Alabama yield to permit me to insert a statement relative to a colloquy on the floor yesterday about the ability of the Atomic Energy Commission to construct powerplants?

Mr. HILL obtained the floor.

Mr. HILL. Mr. President, with the understanding that I shall not lose my right to the floor, I shall be glad to yield to the Senator from Iowa.

Mr. HICKENLOOPER. I shall not take the Senator's time to read the statement; I shall merely ask to have it printed in the RECORD.

Mr. HILL. With the understanding that I do not lose my right to the floor, I shall be glad to yield to the distinguished vice chairman of the Joint Committee, so that he may make an insertion in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. I thank the Senator from Alabama.

Mr. President, yesterday a question arose as to whether the Atomic Energy Commission has authority under the bill to construct substantial atomic powerplants. In general, the idea was discussed that under the research and development provisions of the bill the Commission did have such authority. I agreed to place in the Record a more formal statement, pointing out that authority. Therefore, I ask unanimous consent to have the statement printed at this point in the Record.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A problem has been raised several times in our discussions on S. 3690 which I feel must be clarified. It has been asked whether or not the Atomic Energy Commission is authorized by this bill to construct large experimental or demonstration atomic powerplants capable of producing economically competitive and commercially usable electricity. The answer to this question is clearly in the affirmative.

Section 31 (a) (4) on page 18, line 12, of the bill authorizes the Commission to make arrangements for the conduct of research and development activities relating to the utilization of special nuclear material for industrial uses. Section 32, on page 19, line 13, also authorizes the Commission to conduct these same activities in its own facilities.

The term "research and development" is defined in section 11 (q), on page 8, line 18, to include the extension of investigative findings into practical application for dem-

onstration purposes, including the experimental production and testing of models, devices, equipment, materials, and process-

ing.

I have intentionally omitted certain intervening language in each of these citations in order to clarify my reading of them.

One of the purposes of the act in section 3-a on page 4, line 3, is for the conduct of a program of research and development in order to encourage maximum scientific and industrial progress. I believe the Commission clearly has the authority under section 31 and section 32 to carry out this purpose.

The Atomic Energy Commission now has underway a 5-year program directed at solving some of the basic problems involved in the development of economic atomic power. It is unlikely that any of the plants built under this 5-year program will in fact produce competitive economic power, but it is also a fact that the Government and the Commission are committed to the continuation of the construction of whatever plants prove to be advisable in order to provide the necessary demonstration of economic practicability. Research and development in the atomic energy business does not mean laboratory work alone in the normal sense. would like to call the attention of my colleagues to the very expensive and complicated experiments which have been conducted in the Pacific in order to prove the practicality of certain atomic and thermonuclear weapon ideas. Many of the advances in the atomic art which are essential to our progress cannot be proved except on a major scale. I do not believe that either nuclear scientists or engineers would dispute the contention that proof of economically practical atomic power will have to be dem onstrated and that that demonstration will constitute an experiment.

It is not probable that any atomic powerplant can be constructed in the next decade which will not be essentially experimental. Any electric power produced by such plants built by the Commission will in fact be byproduct energy as defined under section 44. That energy is byproduct in the sense that it is incidental to the experiment. The experiment in these cases will be designed to contribute to the success and economic operation of large plants capable of direct adaptation for industrial and commercial The energy itself is closely interwoven with the nature of the experiment, but the emphasis throughout this program is on the development aspect of the effort.

The Atomic Energy Commission is basically a development and regulatory agency. The only production that it does is in connection with weapons. There are other Federal agencies which historically have been producers of electric power and distributors of electric power on a commercial scale. If these agencies under authority of the Congress should find it desirable to produce electricity from atomic energy, there is nothing in this bill, which prohibits them from doing so. Whenever commercial feasibility has been demonstrated, these Federal and other public agencies are certainly not barred by the bill from seeking and obtaining licenses to construct and operate atomic powerplants.

It has been suggested that the limitation on authority contained in section 261, on page 102 of the bill, in some way deprives the Commission of authority to build such experimental and demonstration atomic powerplants. This is not the intention of this section. This limitation has become almost standard practice to prevent large Government agencies from starting major construction projects without the specific authority of the Congress. The authorizing procedure as a preliminary to appropriations is one with which we are all familiar.

The authority contained in S. 3690 permitting the Commission to build and operate atomic powerplants arises from the re-

search and development provisions of the bill.

Any projects for atomic powerplant construction and operation by the Commission, either singly or jointly in participation arrangements with others, must be primarily for research and development purposes.

Varying amounts of energy may be generated by such projects. Section 44 authorizes the Commission to dispose of this byproduct power which would be, in fact, incidental to the research and development objective, but it is not the intention of the framers of this legislation to turn the Commission into a federally sponsored, commercial electric power generating agency.

This is not a power bill. This is a bill to advance research and development in aid of the art of making atomic machines—or of using atomic fuel—for the generation of power.

Mr. HICKENLOOPER. Mr. President, the Senator from South Dakota IMr. Casel yesterday raised a question as to whether the Atomic Energy Commission could, in fact, accept without payment—that is, accept as a gift or a transfer, without having to purchase—certain property located in South Dakota, near some of the hydroelectric operations which the Government has installed. I advised the Senator that I would attempt to get an answer.

I have learned that the answer is that if the Atomic Energy Commission does not have to pay for the installations which it receives from another branch of the Government, it can accept them as a donation or a gift or a transfer.

I ask unanimous consent to have printed at this point in my remarks, a memorandum I have received from Mr. George Norris, Jr., counsel to the Joint Committee on Atomic Energy.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

JULY 19, 1954.

Memorandum from George Norris, Jr.

Mr. Hal Price, AEC, called this afternoon to tell me that under section 12 a. (7) the Commission has the authority to acquire any real property. Under section 202 of the Federal Property and Administrative Services Act, another Government agency can transfer to the Commission through the General Services Administration excess property that it owns, including real property.

This is the method of transfer that has been commonly used by the Commission in acquiring lands from other agencies.

The Commission would have to receive congressional approval, under section 261 of the bill, for such transfer if appropriations are needed for the land and when appropriations are needed to build the special buildings which would be needed for any new facility.

Mr. CASE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. HILL. With the understanding that I do not lose the floor, I shall be glad to yield to the Senator from South Dakota, to permit him to ask a question of the Senator from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. I wish to ask the distinguished Senator from Iowa if this information does not largely confirm our colloquy of yesterday, to the effect that if the Army engineers declare property

to be excess to their needs, and make it available to the General Services Administration, the property can be transferred to the Atomic Energy Commission, and the Commission can receive it if no cost is involved in the transfer.

Mr. HICKENLOOPER. The answer, as I have been advised by counsel to the committee, is, Yes, that could be done.

Mr. CASE. I appreciate the Senator's statement.

Mr. HICKENLOOPER. I thank the Senator from Alabama.

Mr. HILL. It has been a pleasure to yield to the distinguished Senator from Towa

Mr. President, I understand that the distinguished Senator from Utah is now ready to proceed with the conference report which he presented to the Senate a short time ago, but which was temporarily laid aside. I ask unanimous consent that I may yield to the distinguished Senator from Utah for the purpose of proceeding with the conference report, without losing my right to the floor.

The PRESIDING OFFICER. With that understanding, it is so ordered.

TRANSFER OF HEALTH FACILITIES FOR INDIANS TO PUBLIC HEALTH SERVICE—CONFERENCE REPORT

Mr. WATKINS. Mr. President, what is the parliamentary situation with regard to the conference report on the bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes?

The PRESIDING OFFICER. The question is on the request of the Senator from Utah to proceed to the consideration of the conference report. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KERR. Mr. President, I rise to object to the acceptance of the conference report. As amended by the Senate, H. R. 303 had become less objectionable than it was in the form in which it was passed by the House. However, in conference substantial deletions and impairments of the provisions of the bill as passed by the Senate were made, with the result that in its present form the bill is but little better than as passed by the House.

Mr. President, H. R. 303 has been presented by its sponsors as legislation which will save money. I do not agree with that suggestion, and the Director of the Bureau of the Budget does not agree with it. Therefore, the Budget Bureau opposed the passage of the bill.

H. R. 303 was presented as a measure to improve the health services provided to the people affected, to wit, the American Indians. Yet the bill is strenuously opposed by the Department of Health, Education, and Welfare. It is the opinion of the senior Senator from Oklahoma that it will result in impaired service rather than in improved service.

H. R. 303 was presented as a measure for the benefit of Indians. Yet in Oklahoma, where one-third of all American

Indians reside, the opposition to the bill is practically unanimous by the people for whom it was purportedly introduced and in whose interest it was sought to be passed. The bill is opposed not only by those who would be served by it, but by those who would render service under it.

As I interpret H. R. 303, it is the result of the desire of a limited minority to impose their will upon the great majority.

Therefore, Mr. President, on any basis of consideration, the conference report should not be approved, and the Senate should stand firm in its purpose not to accept it unless the House accepts the amendment adopted by the Senate when it passed H. R. 303.

Mr. MONRONEY. Mr. President, I am greatly disappointed in learning that one protective feature which was written into the bill when it was before the Senate, namely, the amendment by the Senator from Mississippi [Mr. Stennis], has been largely nullified in the conference.

The bill, which purports to turn over the administration of the Indian hospitals of the Nation to the Public Health Service, will be used, we fear, mainly for the purpose of liquidating the Indian hospital service as we have known it through the years.

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Granted that the Indian hospital service has not been of the high character we would have liked to see, granted that it was not so complete or so well staffed with competent physicians as was to be desired, the fault did not rest on the Indian Service, but in the halls of Congress. Congress consistently failed to vote funds to bring the hospitals up to date and to staff them with proper medical officers.

In the amendment to the bill offered in the Senate by the Senator from Mississippi, a safeguard was provided against the unwise and wholesale liquidation of the Indian hospitals. Such hospitals are located in the backwoods of the country, where most of the Indians, particularly those of Oklahoma and of the Midwest, were driven as the white settlers came into the Territories and took over the lands which the Indians once owned in fee

We are fearful that the present Indian hospitals, which have been looked upon as insufficient, as too small, and as not meeting modern hospital standards, will be looked upon with disfavor, and that we will see in a short time, under the Public Health Service, the discontinuance of the hospitals located where the Indians reside, far away from metropolitan areas. We are fearful that the Indians will be told that they can no longer have the 10-, 20-, or 50-bed hospitals which serve a tribe or a number of tribes at distances far removed from metropolitan areas, and that they must go to a metropolitan center, and be served in a teaching hospital which is more modern and proficient from a medical standpoint.

Those who urge that course may be correct in their analysis of the problem, and the medical service that would be provided in the metropolitan centers may be far better than that available in the small, remote hospitals, where the Indians have been receiving their hos-

pitalization. It has been a difficult task through the years to get the Indians to forget their local tribal medicine man or to abandon the primitive medication that old-time chiefs and others have devised, and to seek the medical service which has been offered in the Indian hospitals. The Indians will not go into metropolitan centers. They are afraid of them. They like to go to a place near home. They like to go where other members of the tribe have been, who can tell them they have been there and that the white man's medicine was genuinely healing medicine and they could safely trust the doctor in the small hospital located near their home.

We fear that the brand new fight with public health medicine will cut loose the advisory capacity of the Office of Indian Affairs, which has been consistently maintained up until very recent weeks. The bill does split off the medical service and turn it over to another agency, and leaves the Office of Indian Affairs with nothing whatever to say about the medical service, which is perhaps 50 percent of the task of maintaining the welfare of the Indians.

We find that all the tribes in Oklahoma vigorously oppose the bill. They are opposed to it because one by one they have seen the pledges and the promises made by the white man, as he has taken over their land for various purposes—pledges and promises to the Indians to be kept as long as fire burns and water runs—disappear, and the Indians are fearful that under the bill being passed today they will have none of the medical care that is provided now in the far off

reaches of the States where Indians

reside.

We have been having conferences with the medical authorities regarding this measure. We have received some verbal assurance that, in so far as possible within the limitations of appropriations and administrative difficulties, they will try to maintain in the local areas the same degree of medical service, and will not try to consolidate in one metropolitan location the services now being rendered in the far-off reaches where the Indians live. However, this measure does not contain any provision to carry out that assurance.

In the amendment submitted by the Senator from Mississippi there was a provision that such a change could not be made without tribal authority. However, that provision regarding the consent of the Indians has now been watered down; and once the bill becomes operative in 1955, the Indians' pleas or advice will not be considered, and they will be cast adrift, on the good mercy of the Public Health Service, for it to decide whether their traditional hospitals will be kept open or will be closed. If they are closed, the Indians will then have to seek such service elsewhere.

I agree with my distinguished colleague that the change will not save money. In fact, it will cost more money than the present plan costs. I fear the change will result in less medical service than the Indians are receiving today, and I believe that fewer and fewer Indians will avail themselves of the promises traditionally made to them in treaties,

namely, that the white people will protect the best interests of the Indians.

Mr. President, for these reasons I still feel this measure is a bad one for the Indians and is a bad one for the taxpayers. I do not believe this measure will achieve the end results the sponsors of the bill urged as a reason for its passage.

I wish the Senate would send the bill to a further conference, and would insist upon the inclusion, verbatim, in the form in which the Senate passed it, of the amendment of the distinguished junior Senator from Mississippi [Mr. Stennis]. That would at least give the Indians some protection from the loss of their present hospital facilities.

Mr. CASE. Mr. President, will the Senator from Utah yield for a question? Mr. WATKINS. I yield.

Mr. CASE. I should like to ask the distinguished Senator from Utah, the chairman of the committee having charge of this measure, about a tubercular sanatorium known as the Sioux Sanatorium, at Rapid City, S. Dak. That sanatorium serves a number of tribes, and provides facilities for the treatment of tuberculosis. Obviously, no individual tribe could be consulted regarding the continuation of that hospital; no particular tribe would be able to express the sentiment of all the other tribes.

In the opinion of the able Senator from Utah, would such a hospital be closed, under the operation of this measure?

Mr. WATKINS. I cannot say what the Public Health Service may do after the bill goes into effect, and beyond July 1, 1956. But my judgment is that the sanatorium would not be closed, provided, of course, it is serving a large number of persons and is really accomplishing the objectives for which it was

Mr. CASE. This hospital provides facilities for the treatment of tubercular patients among the Indians of 8 different reservations, with a population in excess of 30,000. So I trust that the assurance of the Senator from Utah will be effective, and will insure the maintenance and operation of the hospital as long as there are any patients who need it.

Mr. WATKINS. That is my judgment. Of course, I cannot speak for the Public Health Service.

Mr. President, will the Mr. STENNIS. Senator from Utah yield briefly to me?

Mr. WATKINS. I yield for a question. Mr. STENNIS. First, Mr. President, I wish to thank the chairman of the committee for his consideration of the problem which was presented by the amendment I offered to the Senate, although the conference committee has left in the bill only a remnant of the amendment. Nevertheless, I know the chairman of the committee had some personal interest in the problem which was presented by means of the amendment, and again I wish to say that I regret that the final form of the amendment will not offer protection to the Choctaw Indians that the amendment as submitted would have offered.

I realize that this measure probably will become law; and again I wish to express the very strong hope that the group of Choctaw Indians at Philadelphia, Miss., and in the surrounding area, to which this hospital has meant so much, will continue to have the benefit of its very fine medical services, because unless those Indians do have access to a facility of this kind, they will not be inclined to go to other hospitals. They like to keep to themselves. A great number of them cannot speak English.

If this measure becomes law, I hope those charged with the responsibility will look with great favor and great generosity upon preserving the fine little hospital there, for the 3,000, 3,500, or 4,000 Choctaw Indians.

I thank the Senator from Utah.

WATKINS. Mr. President, I should like to observe that this measure was endorsed by practically all the medical associations of the United States interested in this problem; and the conferees were unanimous in their approval of the report.

Mr. President, I do not care to repeat the argument that previously was made at considerable length. I now submit the matter.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

Mr. MONRONEY. Mr. President, I should like to have the RECORD show that both the senior Senator from Oklahoma [Mr. KERR] and the junior Senator from Oklahoma [Mr. Monroney] voted in opposition to approval of the conference report.

The PRESIDING OFFICER. The RECORD will so show.

ACCEPTANCE OF CONDITIONAL GIFTS TO FURTHER DEFENSE EFFORT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3197) to authorize the acceptance of conditional gifts to further the defense effort, which was, on page 1, line 11, strike out "partciular" and insert "particular."

Mr. KNOWLAND. Mr. President, I have taken up this matter with the acting minority leader. The Senate passed Senate bill 3197, to authorize the acceptance of conditional gifts to further the defense effort; but in the bill as passed by the Senate, there was a misspelling of the word "particular." The amendment of the House is only for the purpose of correcting the spelling of that one word.

Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

AMENDMENT OF MINERAL LEASING LAWS AND MINING LAWS RELAT-ING TO MULTIPLE-MINERAL DE-VELOPMENT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3344) to amend the mineral leasing laws and the mining laws to provide for multiplemineral development of the same tracts of the public lands, and for other purposes, which was, to strike out all after the enacting clause and insert:

That, (a) subject to the conditions and provisions of this act and to any valid intervening rights acquired under the laws of the United States, any mining claim located under the mining laws of the United States subsequent to July 31, 1939, and prior to February 10, 1954, on lands of the United States, which at the time of location were-

(1) included in a permit or lease issued under the mineral leasing laws; or (2) covered by an application or offer for a permit or lease which had been filed under

the mineral leasing laws; or

(3) known to be valuable for minerals sub-

ject to disposition under the mineral leasing laws,

shall be effective to the same extent in all respects as if such lands at the time of location, and at all times thereafter, had not been so included or covered or known: Provided, however, That, in order to be entitled to the benefits of this act, the owner of any such mining claim located prior to January 1, 1953, must have posted and filed for record, within the time allowed by the provisions of the act of August 12, 1953 (67 Stat. 539), an amended notice of location as to such mining claim, stating that such notice was filed pursuant to the provisions of said act of August 12, 1953, and for the purpose of obtaining the benefits thereof: And provided further, That in order to obtain the benefits of this act, the owner of any such mining claim located subsequent to December 31, 1952, and prior to February 10, 1954, not later than 120 days after the date of enactment of this act, must post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location for such claim, stating that such notice is filed pursuant to the provisions of this Act and for the purpose of obtaining the benefits thereof and, within said 120-day period, if such owner shall have filed a uranium lease application as to the tract covered by such mining claim, must file with the Atomic Energy Commission a withdrawal of such uranium lease application or, if a uranium lease shall have issued pursuant thereto, a release of such lease, and must record a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall have been filed for record.

(b) Labor performed or improvements made after the original location of and upon or for the benefit of any mining claim which shall be entitled to the benefits of this act under the provisions of subsection (a) of this section 1, shall be recognized as applicable to such mining claim for all purposes to the same extent as if the validity of such mining claim were in no respect dependent upon the provisions of this act.

(c) As to any land covered by any mining claim which is entitled to the benefits of this act under the provisions of subsection (a) of this section 1, any withdrawal or reservation of lands made after the original location of such mining claim is hereby modified and amended so that the effect thereof upon such mining claim shall be the same as if such mining claim had been located upon lands of the United States which, subsequent to July 31, 1939, and prior to the date of such withdrawal or reservation, were subject to location under the mining laws of the United States.

SEC. 2. (a) If any mining claim which shall have been located subsequent to December 31, 1952, and prior to December 11, 1953, and which shall be entitled to the benefits of this act, shall cover any lands embraced within any mining claim which shall have been located prior to January 1, 1953, and which shall be entitled to the benefits of this act, then as to such area of conflict said mining claim so located subsequent to December 31, 1952, shall be deemed to have been located December 11, 1953.

(b) If any mining claim hereafter located shall cover any lands embraced within any mining claim which shall have been located prior to February 10, 1954, and which shall be entitled to the benefits of this act, then as to such area of conflict said mining claim hereafter located shall be deemed to have been located 121 days after the enactment of this act.

SEC. 3. (a) Subject to the conditions and provisions of this act and to any valid prior rights acquired under the laws of the United States, the owner of any pending uranium lease application or of any uranium lease shall have, for a period of 120 days after the date of enactment of this act, as limited in subsection (b) of this section 3, the right to locate mining claims upon the lands covered by said application or lease.

(b) Any rights under any such mining claim so hereafter located pursuant to the provisions of subsection (a) of this section 3 shall be subject to any rights of the owner of any mining claim which was located prior to February 10, 1954, and which was valid at the date of the enactment of this act or which may acquire validity under the provisions of this act. As to any lands covered by a uranium lease and also by a pending uranium lease application, the right of mining location under this section 3, as between the owner of said lease and the owner of said application, shall be deemed as to such conflict area to be vested in the owner of said lease. As to any lands embraced in more than one such pending uranium lease application, such right of mining location, as between the owners of such conflicting applications, shall be deemed to be vested in the owner of the prior application. Priority of such an application shall be determined by the time of posting on a tract then available for such leasing of a notice of lease application in accordance with paragraph (c) of the Atomic Energy Commission's Domestic Uranium Program Circular 7 (10 C. F. R. 60.7 (c)) provided there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have been such timely compliance, then by the time of the filing of the uranium lease application with the Atomic Energy Commission. Any rights under any mining claim located under the provisions of this section 3 shall terminate at the expiration of 30 days after the filing for record of the notice or certificate of location of such mining claim unless, within said 30-day period, the owner of the uranium lease application or uranium lease upon which the location of such mining claim was predicated shall have filed with the Atomic Energy Commission a withdrawal of said application or a release of said lease and shall have recorded a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall be of record.

(c) Except as otherwise provided in subsections (a) and (b) of this section 3, no mining claim hereafter located shall be valid as to any lands which at the time of such location were covered by a uranium lease application or a uranium lease. Any tract upon which a notice of lease application has been posted in accordance with said paragraph (c) of said Circular 7 shall be deemed to have been included in a uranium lease application from and after the time of the posting of such notice of lease application: Provided, That there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have been such timely compliance, then from and after the time of the filing of a uranium lease application with the Atomic Energy Commission.

SEC. 4. Every mining claim or millsite hereafter located under the mining laws of the United States and every mining claim or millsite heretofore so located which shall be entitled to benefits under the first three sections of this act shall be subject to a reservation to the United States of all Leasing Act minerals and of the right (as limited in sec. 6 hereof) of the United States, its lessees, permittees, and licensees to enter upon the land covered by such mining claim or millsite and to prospect for, drill for, mine, treat, store, transport, and remove Leasing Act minerals and to use so much of the surface and subsurface of such mining claim or millsite as may be necessary for such purposes, and whenever reasonably necessary, for the purpose of prospecting for, drilling for, mining, treating, storing, transporting, and removing Leasing Act minerals on and from other lands; and any patent issued for any such mining claim or millsite and contain such reservation: Provided, however, That such reservation contained in the patent shall apply only to the lands included in said mining claim which, at the time of the issuance of such patent

(a) included in a permit or lease under

the mineral leasing laws; or

 (b) covered by an application or offer for a permit or lease filed under the mineral leasing laws; or

(c) known to be valuable for minerals subject to disposition under the mineral

leasing laws.

SEC. 5. Subject to the conditions and provisions of this act, mining claims and mill-sites may hereafter be located under the mining laws of the United States on lands of the United States which at the time of location are—

(a) included in a permit or lease issued under the mineral leasing laws; or

 (b) covered by an application or offer for a permit or lease filed under the mineral leasing laws; or

(c) known to be valuable for minerals subject to disposition under the mineral leasing laws;

to the same extent in all respects as if such lands were not so included or covered or known.

SEC. 6. (a) Where the same lands are being utilized for mining operations and Leasing Act operations, each of such operations shall be conducted, so far as reasonably practicable, in a manner compatible with such multiple use.

(b) Any mining operations pursuant to rights under any unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this act, shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any Leasing Act mineral. Subject to the provisions of subsection (d) of this section 6, mining operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of Leasing Act operations, or with the utilization of such improvements, workings, or facilities, or facilities, or facilities, or facilities, or facilities,

(c) Any Leasing Act operations on lands covered by an unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this act, shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any mineral not so reserved from such mining claim or millsite. Subject to the provisions of subsection (d) of this section 6, Leasing Act operations shall be so conducted as not to endanger or materially interfere with any existing sur-

face or underground improvements, workings, or facilities which may have been made for the purpose of mining operations, or with the utilization of such improvements, workings, or facilities.

(d) If, upon petition of either the mining operator or the Leasing Act operator, any court of competent jurisdiction shall find that a particular use in connection with one of such operations cannot be reasonably and properly conducted without endangering or materially interfering with the then exist-ing improvements, workings, or facilities of other of such operations or with the utilization thereof, and shall find that under the conditions and circumstances, as they then appear, the injury or damage which would result from denial of such particular use would outweigh the injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof if that particular use were allowed, then in such event such court may permit such use upon payment (or upon furnishing of sedetermined by the court to be adequate to secure payment) to the party or parties who would be thus injured or damaged, of an amount to be fixed by the court as constituting fair compensation for the then reasonably contemplated injury or damage which would result to such then existing improvements, workings, or facili-ties or from interference with the utilization thereof by reason of the allowance of such particular use.

(e) Where the same lands are being utilized for mining operations and Leasing Act operations, then upon request of the party conducting either of said operations, the party conducting the other of said op-erations shall furnish to and at the expense of such requesting party copies of any information which said other party may have, as to the situs of any improvements, workings, or facilities theretofore made upon such lands, and upon like request, shall permit such requesting party, at the risk of such requesting party, to have access at reasonable times to any such improvements, workings, or facilities for the purpose of survey-ing and checking or determining the situs thereof. If damage to or material interference with a party's improvements, workings, facilities, or with the utilization thereof shall result from such party's failure, after request, to so furnish to the requesting party such information or from denial of such access, such failure or denial shall relieve the requesting party of any liability for the damage or interference resulting by reason of such failure or denial. Failure of a party to furnish requested information or access shall not impose upon such party any liability to the requesting party other than for such costs of court and attorney's fees as may be allowed to the requesting party in enforcing by court action the obligations of this section as to the furnishing of information and access. The obligation hereunder of any party to furnish requested information shall be limited to map and survey information then available to such party with respect to the situs of improvements, workings, and facilities and the furnishing thereof shall not be deemed to constitute any representation as to the accuracy of such informa-

SEC. 7. (a) Any applicant, offeror, permittee, or lessee under the mineral leasing laws may file in the office of the Secretary of the Interior, or in such office as the Secretary may designate, a request for publication of notice of such application, offer, permit, or lease, provided, expressly, that not less than 90 days prior to the filing of such request for publication there shall have been filed for record in the county Office of Record for the county in which the lands covered thereby are situate a notice of the

filing of such application or offer or of the issuance of such permit or lease which notice shall set forth the date of such filing or issuance, the name and address of the applicant, offeror, permittee, or lessee and the description of the lands covered by such application, offer, permit, or lease, showing section or sections of land surveyed, or, if such lands are unsurveyed, the section or sections of land which would probably be involved when the public lands surveyed are extended to such lands, or a tie by courses and distances to an approved United States Mineral Monument. The filing of such request for publication shall be accompanied by a certified copy of such recorded notice and an affidavit or affidavits of a person or persons over 21 years of age setting forth that the affiant or affiants have examined the lands involved in a reasonable effort to ascertain whether any person or persons were in possession of or engaged in the working of such lands or any part thereof, and, if no person or persons were found to be in possession of or engaged in the working of said lands or any part thereof on the date of such examination, setting forth such fact, or, if any person or persons were so found to be in possession or engaged in such working on the date of such examination, setting forth the name and address of each such person, unless affiant shall have been unable through reasonable inquiry to obtain infor-mation as to the name and address of any such person, in which event the affidavit shall set forth fully the nature and results of such inquiry.

Thereupon the Secretary of the Interior, or his designated representative, at the expense of the requesting person (who, prior to the commencement of publication, must furnish the agreement of the publisher to hold such requesting person alone responsible for charges of publication), shall cause notice of such application, offer, permit, or lease to be published in a newspaper hav-ing general circulation in the county in which the lands involved are situate.

Such notice shall describe the lands covered by such application, offer, permit, or lease, as provided heretofore in the notice to be filed in the office of record of the county in which the lands covered are situate, and shall notify whomever it may concern that if any person claiming or assert-ing under, or by virtue of, any unpatented mining claim, any right or interest in Leasing Act minerals as to such lands or any part thereof, shall fail to file in the office where such request for publication was filed (which office shall be specified in such notice) and within 150 days from the date of the first publication of such notice (which date shall be specified in such notice), a verified statement which shall set forth, as to such unpatented mining claim:

(1) The date of location:

(2) The book and page of recordation of the notice or certificate of location;

(3) The section or sections of the publicland surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument:

(4) Whether such claimant is a locator or purchaser under such location; and

(5) The name and address of such claimant and names and addresses so far as known to the claimant of any other person or persons claiming any interest or interests in or under such unpatented mining claim;

such failure shall be conclusively deemed (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining

claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining claim.

If such notice is published in a daily paper, it shall be published in the Wednesday issue for nine consecutive weeks, or, if in a weekly paper, in nine consecutive issues, or, if in a semiweekly or triweekly paper, in the issue of the same day of each week for nine consecutive weeks.

Within 15 days after the date of first publication of such notice, the person requesting such publication (1) shall cause a copy of such notice to be personally delivered to or to be sent by registered mail addressed to each person in possession or engaged in the working of the land whose name and address is shown by an affidavit filed as aforesaid, and to each person who may have filed, as to any lands described in said notice, a request for notices, as provided in subsection (d) of this section 7, and (2) shall file in the office where said request for publication was filed an affidavit showing that copies have been so delivered or mailed.

(b) If any claimant under any unpatented mining claim which embraces any of the lands described in any notice published in accordance with the provisions of subsection (a) of this section 7 shall fail to file a verified statement, as above provided, within 150 days from the date of the first publication of such notice, such failure shall be conclusively deemed, except as otherwise provided in subsection (e) of this section 7, (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining

(c) If any verified statement shall be filed by a mining claimant as provided in sub-section (a) of this section 7, then the Secretary of the Interior or his designated representative shall fix a time and place for a hearing to determine the validity and effectiveness of the mining claimant's asserted right or interest in Leasing Act minerals, which place of hearing shall be in the county where said interest or part of it is located, unless the mining claimant agrees other-The procedures with respect to notice wise. of such a hearing and the conduct thereof, and in respect to appeals shall follow the then established general procedures and rules of practice of the Department of the Interior in respect to contests or protests affecting public lands of the United States. If, pursuant to such a hearing the final decision rendered shall affirm the validity and effectiveness of any mining claim as to Leas-ing Act minerals then no subsequent proceeding under section 7 of this act shall have any force or effect upon any rights or interests under the said so affirmed mining claim. If at any time prior to a hearing the person requesting publication of notice and any person filing a verified statement pursuant to such notice shall so stipulate, then to the extent so stipulated, but only to such extent, no hearing shall be held with respect to rights asserted under that verified statement, and to the extent defined by the stipulation the rights asserted under that verified statement shall be deemed to be unaffected by that particular published notice.

(d) Any person claiming any right in Leasing Act minerals under or by virtue of

any unpatented mining claim and desiring to receive a copy of any notice of any application, offer, permit, or lease which may be published as above provided in subsection of this section 7 and which may affect lands embraced in such mining claim, may cause to be filed for record in the county office of record where the notice or certificate of location of such mining claim shall have been recorded, a duly acknowledged request for a copy of any such notice. Such request for copies shall set forth the name and address of the person requesting copies and shall also set forth, as to each mining claim under which such person asserts rights in Leasing Act minerals:

(1) the date of location;

(2) the book and page of the recordation of the notice or certificate of location; and

(3) the section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monu-

Other than in respect to the requirements of subsection (a) of this section 7 as to personal delivery or mailing of copies of notices and in respect to the provisions of subsection (e) of this section 7, no such request for copies of published notices and no statement or allegation in such request and no recordation thereof shall affect title to any mining claim or to any land, or be deemed to constitute constructive notice to any person that the person requesting copies has, or claims, any right, title, or interest in or under mining claim referred to in such request.

(e) If any applicant, offeror, permittee, or lessee shall fail to comply with the requirements of subsection (a) of this section 7 as to the personal delivery or mailing of a copy of notice to any person, the publication of such notice shall be deemed wholly in-effectual as to that person or as to the rights asserted by that person and the failure of that person to file a verified statement, as provided in such notice, shall in no manner affect, diminish, prejudice, or bar any rights

of that person. SEC. 8. The owner or owners of any mining claim heretofore located may, at any time prior to issuance of patent therefor, and relinquish all rights thereunder to Leasing Act minerals. The execution and acknowledgment of such a waiver and relinquishment by such owner or owners and the recordation thereof in the office where the notice or certificate of location of such mining claim is of record shall render such mining claim thereafter subject to the reservation referred to in section 4 of this act and any patent issued therefor shall contain such a reservation, but no such waiver or relinquishment shall be deemed in any manner to constitute any concession as to the date of priority of rights under said mining claim or as to the validity thereof.

SEC. 9. The Atomic Energy Act is hereby amended as follows:

(a) Section 5 (b) (5) is revised to read:(5) Acquisition: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this act, to purchase, take, requisition, condemn, or otherwise acquire

(A) supplies of source materials or any interest in real property containing deposits of source materials, and (B) rights to enter upon any real property

deemed by it to have possibilities of containing deposits of source materials and to conduct prospecting and exploratory operations for such deposits.

Any purchase made under this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes

(U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made thereunder. The Commission may establish guaranteed prices for all source materials delivered to it within a specified time. Just compensation shall be made for any property or interest in property purchased, taken, requisitioned, condemned, or otherwise acquired under this paragraph.

(b) Section 5 (b) (6) is revised to read:
(6) Operations on lands belonging to the
United States: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this act, to issue leases or permits for prospecting for, exploration for, mining, or removal of de-posits of source materials (or for any or all of these purposes) in lands belonging to the

United States.

(c) Section 5 (b) (7) is revised to read:
"(7) Public lands: No individual, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic bomb project, may benefit by any location, entry, or settlement upon the public domain made after such individual, corporation, partnership, or association took part in such project, if such individual, corporation, partnership, or association, by reason of having had such part in the development of the atomic bomb project, acquired confidential official information as to the existence of deposits of such as uranium, thorium, or other materials in the specific lands upon which such location, entry, or settlement is made, and subsequent to the date of the enactment of this act made such location, entry, or settlement or caused the same to be made for his, or its, or their benefit. In cases where any patent, conveyance, lease, permit, or other authorization has been issued, which reserved to the United States source materials and the right to enter upon the land and prospect for, mine, and remove the same, the head of the department or agency which issued the patent, conveyance, lease, permit, or other authorization shall, on application of the holder thereof, issue a new or supplemental patent, conveyance, lease, permit, or other authorization without such reservation."

(d) Notwithstanding the provisions of the Atomic Energy Act, and particularly section 5 (b) 7 thereof, prior to its amendment hereby, or the provisions of the act of August 12, 1953 (67 Stat. 539), and particularly section 3 thereof, any mining claim, heretofore located under the mining laws of the United States, for, or based upon a discovery of a mineral deposit which is a fis-sionable source material and which, except for the possible contrary construction of said Atomic Energy Act, would have been locatable under such mining laws, shall, insofar as adversely affected by such possible con-trary construction, be valid and effective, in all respects to the same extent as if said mineral deposit were a locatable mineral deposit other than a fissionable source material.

SEC. 10. As used in this act "mineral-leasing laws" shall mean the act of October 20, 1914 (38 Stat. 741); the act of February 25, 1920 (41 Stat. 437); the act of April 17, 1926 (44 Stat. 301); the act of February 7, 1927 (44 Stat. 1057); and all acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing acts; leasing act minerals shall mean all minerals which, upon the effective date of this act, are provided in the mineral-leasing laws to be disposed of thereunder; leasing act operations shall mean operations conducted under a lease, permit, or license issued under the mineralleasing laws in or incidental to prospecting

for, drilling for, mining, treating, storing, transporting, or removing leasing-act minerals; mining operations shall mean operations under any unpatented or patented mining claim or millsite in or incidental to prospecting for, mining, treating, storing, transporting, or removing minerals other than leasing-act minerals and any other use under any claim of right or title based upon such mining claim or millsite; leasing-act operator shall mean any party who shall conduct leasing-act operations; mining operator shall mean any party who shall conduct mining operations; Atomic Energy Act shall mean the act of August 1, 1946 (60 Stat. 755), as amended: Atomic Energy Commission shall mean the United States Atomic Energy Commission established under the Atomic Energy Act or any amendments thereof: fissionable source material shall mean uranium, thorium, and all other materials referred to in section 5 (b) (1) of the Atomic Energy Act as reserved or to be reserved to the United States; uranium lease application shall mean an application for a uranium lease filed with said Commission with respect to lands which would be open for entry under the mining laws except for their being lands embraced within an offer, application, permit, or lease under the mineral-leasing laws or lands known to be valuable for minerals leasable under those laws; uranium lease shall mean a uranium-mining lease issued by said Commission with respect to any such lands; and person shall mean any individual, corporation, partnership, or other legal entity.

SEC. 11. If any provision of this act, or the application of such provision to any person or circumstances, is held unconstitutional, invalid, or unenforcible, the re-mainder of this act or the application of such provision to persons or circumstances than laws to which it is held unconstitutional, invalid, or unenforcible, shall

not be affected thereby.

Mr. CORDON. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate

The motion was agreed to, and the presiding officer appointed Mr. MILLIKIN, Mr. WATKINS, Mr. BARRETT, Mr. MURRAY, and Mr. ANDERSON conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 95. An act for the relief of Mrs. Donka Kourteva Dikova (Dikoff) and her son Nicola Marin Dikoff;

S. 98. An act for the relief of (Mrs.) Betty

Thornton or Jozsefne Toth; S. 102. An act for the relief of Francesco

Cracchiolo;

S. 110. An act for the relief of Christopher F. Jako; S. 203. An act for the relief of Yvonne

Linnea Colcord; S. 222. An act for the relief of Mrs. Dean

S. Roberts (nee Braun); S. 246. An act for the relief of Gerrit

S. 267. An act for the relief of Pantelis Morfessis;

S. 278. An act for the relief of Szyga

(Saul) Morgenstern; S. 308. An act for the relief of Filolaos Tsolakis and his wife, Vassiliki Tsolakis;

S. 496. An act for the relief of Doctor Samson Sol Flores and his wife, the former Cecilia T. Tolentino:

S. 552. An act for the relief of Anna Urwicz: S. 587. An act for the relief of Carlos For-

tich, Jr.; S. 661. An act for the relief of Nino Sabino Di Michele;

S. 790. An act for the relief of Irene J.

Halkis;

S. 794. An act for the relief of Paulus Youhanna Benjamen; S. 795. An act for the relief of Josef Radzi-

will. S 830 An act for the relief of Samuel.

Agnes, and Sonya Lieberman;

S. 841. An act for the relief of Dionysio Antypas;

S. 843. An act for the relief of Rabbi Eugene Feigelstock; S. 855. An act for the relief of Kirill Mi-

hallovich Alexeev, Antonina Ivanovna Alex-eev, and minor children Victoria and Vladimir Alexeev;

S. 891. An act for the relief of Albina

S. 912. An act for the relief of Bruno Ewald Paul and Margit Paul;

S. 915. An act for the relief of Augusta Bleys (also known as Augustina Bleys);

S. 917. An act for the relief of Stefan Burda, Anna Burda, and Nikolai Burda; S. 937. An act for the relief of Virginia

Grande: S. 945. An act for the relief of Moshe Gips;

S. 986. An act for the relief of Mrs. Ishi Washburn;

S. 1129. An act for the relief of Jozo Mandic:

S. 1267. An act for the relief of Irene Kramer and Otto Kramer;

S. 1313. An act for the relief of Olga Balabanov and Nicola Balabanov; S. 1362. An act for the relief of Rev. Ishai

Ben Asher; S. 1477. An act for the relief of Gerhard

Nicklaus; S. 1490. An act for the relief of David

Maisel (David Majzel) and Bertha Maisel (Berta Pieschansky Majzel); S. 1841. An act for the relief of Carlo

(Adiutore) D'Amico; S. 1850. An act for the relief of Dr. John D.

MacLennan: S. 1860. An act for the relief of Amalia

Sandrovic; S. 1954. An act for the relief of Anthony N Gorajeh

S. 2009. An act for the relief of Mrs. Edward

E. Jex; S. 2036. An act for the relief of Joseph

Robin Groninger; S. 2065. An act for the relief of Mr. and Mrs. Hendrik Van der Tuin; S. 2677. An act for the relief of Michio

Yamamoto:

S. 2820. An act for the relief of Mrs. Erika Gisela Osteraa; and

S. 2960. An act for the relief of Barbara Herta Geschwandtner.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5185) for the relief of Klyce Motors, Inc.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1381. An act to amend the Agricultural Act of 1949;

S. 2367. An act to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture;

S. 2583. An act to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of having been infected with or exposed to the contagious

disease vesicular exanthema; S. 2766. An act to amend section 7 (d) of the Internal Security Act of 1950, amended;

S. 2786. An act granting the consent and approval of Congress to the southeastern interstate forest fire protection compact;

S. 3561. An act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah;

S. 3630. An act to permit the city of Philadelphia to further develop the Hog Island tract as an air, rail, and marine terminal by directing the Secretary of Commerce to release the city of Philadelphia from the fulfillment of certain conditions contained in the existing deed which restrict further development;

H. R. 130. An act to amend section 1 of the act approved June 27, 1947 (61 Stat. 189); H. R. 5185. An act for the relief of Klyce

Motors, Inc.;

H. R. 6786. An act authorizing the Secretary of the Interior to purchase improve-ments or pay damages for removal of improvements located on public lands of the United States in the Palisades project area,

Palisades reclamation project, Idaho; H. R. 8983. An act to provide for the conveyance of certain lands by the United States

to the city of Muskogee, Okla.;

H. R. 9005. An act to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177): and

S. J. Res. 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on Governmental Use of International Telecommunications.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 20, 1954, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 1381. An act to amend the Agricultural Act of 1949:

S. 2367. An act to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture;

S. 2583. An act to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of having been infected with or exposed to the contagious disease vesicular exanthema;

S. 2766. An act to amend section 7 (d) of the Internal Security Act of 1950, amended:

S. 2786. An act granting the consent and approval of Congress to the southeastern interstate forest fire protection compact;

S. 3561. An act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah; S. 3630. An act to permit the city of Phila-

delphia to further develop the Hog Island tract as an air, rail, and marine terminal by directing the Secretary of Commerce to re-lease the city of Philadelphia from the fulfillment of certain conditions contained in the existing deed which restrict further development; and

S. J. Res. 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on Governmental Use of International Telecommunications.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for

other purposes.

Mr. HILL. Mr. President, those of us who were privileged to hear the speech of the distinguished Senator from Mississippi [Mr. Stennis] know how powerfully he presented the argument that under existing law or under section 164 as written into the bill reported by the Joint Committee on Atomic Energy the Atomic Energy Commission would not have authority to enter into the Dixon-Yates proposed contract. The speech of the Senator from Mississippi was one of the most powerful and able I have heard since I first became a Member of this We know that other Senators, including the Senator from Kentucky [Mr. Cooper] in his very fine and challenging address, the Senator from Oklahoma [Mr. Monroney], in his very strong and able address, and the distinguished junior Senator from Tennessee [Mr. Gore] in his brilliant and devastating speech yesterday, drove home again and again the proposition that there was and is no authority in the Atomic Energy Commission to enter into the proposed Dixon-Yates contract. That fact has become so crystal clear that the distinguished Senator from Michigan [Mr. Ferguson] has offered his amendment in order to try to put into the law the authority for the Atomic Energy Commission to enter into the Dixon-Yates contract.

However, the amendment of the distinguished Senator from Michigan goes much further than the Dixon-Yates proposal. It will be recalled that the Dixon-Yates proposal is to make a contract for some 600,000 kilowatts of power, whereas the Ferguson amendment seeks to authorize the Atomic Energy Commission to enter into a contract or contracts for power in the amount the Atomic Energy Commission is now receiving, or has a contract to receive, from the Tennessee Valley Authority. That amount of power is not 600,000 kilowatts, but some 3 million kilowatts of power.

So the Ferguson amendment is five times as bad as the Dixon-Yates proposal. It would open the door wide for the Atomic Energy Commission to become a broker for the Tennessee Valley Authority, for the purchase of power again and again and again, up to what would now be some 3 million kilowatts of power.

And, of course, if in the future the Atomic Energy Commission should purchase additional power from the Tennessee Valley Authority, then under the Ferguson amendment, the Atomic Energy Commission would be authorized to make a contract along the lines of the Dixon-Yates proposal, for an amount equal to the additional amount of power which the Atomic Energy Commission might purchase from the Tennessee Valley Authority.

No one can tell just how wide the Ferguson amendment would open the door for the prostitution of this most delicate, vital agency of the Government, the Atomic Energy Commission.

The substitute amendment offered by the distinguished junior Senator from North Carolina [Mr. ERVIN] adopts in toto the provisions of the Ferguson amendment and then goes a step fur-ther, as I understand the amendment. There has been no opportunity to analyze the amendment of the Senator from North Carolina carefully, or to give it serious consideration. However, as I understand the amendment, in addition to adopting all the evils of the Ferguson amendment, it provides that a contract entered into for power under the Ferguson amendment shall be sent to the Joint Committee on Atomic Energy for a period not to exceed 30 days. It makes no provision for any check on a contract by the Joint Committee on Atomic Energy. It makes no provision for veto power in the Joint Committee on Atomic Energy, so far as any contract is concerned. The contract would lie there for 30 days, unless the Joint Committee on Atomic Energy should advise the Atomic Energy Commission that it did not desire to have it lie there for 30 days. At the end of the 30-day period the contract would become effective.

So there is no check; there is no power of veto; there is no authority under this amendment for the Joint Committee on Atomic Energy to say, "That contract cannot be entered into," or "That contract must be modified, changed, or amended." In fact, so far as the Dixon-Yates proposal is concerned, although that contract has never been presented in all its details, the proposal itself has been before the Joint Committee on Atomic Energy. The fact is that the Joint Committee on Atomic Energy had 2 days of hearings on the proposal. The committee devoted June 17 and 18 to the hearing of witnesses and the taking of testimony on the Dixon-Yates proposal. The proposal that the Joint Committee on Atomic Energy shall have these contracts presented to it, means nothing; and, so far as the Dixon-Yates proposal is concerned, it is nothing more nor less than a moot question. The Joint Committee on Atomic Energy has had that proposal before it. The joint committee did not see fit to take any action in any way or to advise the Atomic Energy Commission that it thought the contract ought not to be made, or that it should be modified, amended, or changed in some respects. The fact that the Joint Committee on Atomic Energy reported the pending legislation and that it carries section 164 might well be construed as being, on the part of the majority of that committee, a green light for the Atomic Energy Commission to proceed with the making of this con-

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend from Tennessee.

Mr. GORE. I have before me the amendment offered by the junior Senator from North Carolina. I must say that as I interpret it, it does not comport with the explanation given to the Senate by the junior Senator from North Carolina. I should like to read to the Senator one sentence, exclusive of the parenthetical sentence contained therein:

Any contract hereafter entered into by the Commission pursuant to this section shall be submitted to the joint committee, and a period of 30 days shall elapse while Congress is in session, before the contract of the Commission shall become effective.

There is a parenthetical sentence injected within that sentence, which reads as follows:

(In computing such 30 days, there shall be excluded the days in which either House is not in session because of adjournment for more than 30 days.)

Mr. President, the question which I should like to raise with the senior Senator from Alabama is just how the Atomic Energy Commission would act when Congress was in sine die adjourn-

Mr. HILL. I will say to my distinguished friend from Tennessee, as I said in the beginning, that the amendment has just been offered. There has been no opportunity afforded to examine it or to carefully consider it. I suppose, although I do not know, that the provision about waiving the time refers to any time when the joint committee may wish to waive the time when Congress is not in session. I do not know, but I think it may be implied, that perhaps that provision was put in the amendment with the thought in mind that Congress may not always be in session-which of course is true-and if Congress should not be in session, the committee could waive the time.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished friend from Tennessee.

Mr. GORE. As I interpret the lan-guage—and I wish to suggest to the Senator from Alabama that I, too, have only now had an opportunity to see the text-it means that in the event the Commission entered into a contract after Congress had adjourned, no action could be taken on the contract until Congress met in January, and then the 30-day period spelled out herein would begin to operate.

Mr. HILL. From what the distinguished junior Senator from North Carolina [Mr. ERVIN] said about his amendment, I think the construction of the Senator from Tennessee is correct. There is a further modification which I wish the Senator from Tennessee would read. It relates to the waiving of the time. That might throw some light on the subject. From what the distinquished junior Senator from North Carolina said about the amendment, I made the interpretation that the distinguished Senator from Tennessee has made. However, there is a further provision

about waiving the time. The question is whether the provision with reference to waiving the time could be operative if Congress were not in session, after it had adjourned sine die.

Mr. GORE. I shall read that proviso. It reads:

Provided, however, That the joint committee, after having received the proposed contract, may by resolution in writing, waive the conditions of or all or any portion of such 30-day period.

Mr. HILL. Does the Senator believe there would have to be a formal meeting of the joint committee?

Mr. GORE. If the committee had a meeting for that purpose.

Mr. HILL. It would have to have a formal meeting. I notice the words "in writing

Mr. GORE. It says "by resolution." Mr. HILL. By resolution. Would the Senator construe that to mean that there would have to be a resolution in writing, and that there would have to be a formal meeting of the committee, in which case the chances would be that that provision would not affect the situation, perhaps, if Congress were in adjournment?

Mr. HOLLAND. Mr. President, will

the Senator yield?

Mr. HILL. I yield to my friend from

Mr. HOLLAND. Mr. President, I do not pretend to speak with the authority the author of the proposed amendment, the distinguished junior Senator from North Carolina [Mr. ERVIN] can speak, since he is the sponsor and author of it. However, I have discussed the amendment with him, and I heard his explanation of it on the floor earlier in the afternoon.

My understanding is that the distinguished junior Senator from North Carolina is trying to get entirely away from any thought that Congress was seeking to exercise, through its Joint Committee on Atomic Energy, a veto power, and he thereby was trying to avoid any constitutional question. He was seeking to create a situation by this amendment under which, if the joint committee required it, 30 full days, as stated in the amendment, while Congress was in session, would be allowed to the joint committee to offer and have passed legislation preventing a contract taking effect in the event the joint committee felt the contract was unwise and unfortunate, or should be opposed.

It was my understanding that the provision with reference to the waiver was to allow the joint committee, if it was in full approval of a contract as proposed, to meet even out of session and to adopt a resolution in writing waiving its right to have the contract held up for 30 days of consideration, during a session of Congress.

That was my understanding of the amendment. Upon a rereading of it, after having a copy handed to me by the distinguished Senator from Tennessee [Mr. Gore], I feel reasonably sure that that is the proper interpretation.

Mr. HILL. Of course, it would take a formal meeting of the joint committee when Congress was in session-

Mr. GORE. Yes.

Mr. HILL. Just as it would take a formal meeting to act when Congress was not in session. In other words, it would require a formal meeting of the committee to act on the matter.

If Congress were in session, and the committee did not act within 30 days, then the contract would be effective. If Congress were not in session, the contract could not become effective until Congress reconvened and 30 days had expired, unless during the adjournment of Congress there was a formal, official meeting of the joint committee, with a resolution in writing passed by a majority of the committee, with a quorum present, I would say.
Mr. HOLLAND. Mr. President, will

the Senator yield?

Mr. HILL. I yield.

Mr. HOLLAND. The Senator from Alabama has correctly stated the contents of the amendment, at least insofar as they are understood by the Senator from Florida.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. GORE. I concur in the interpretation of the amendment which the senior Senator from Florida has given and which the senior Senator from Alabama has given. However, it is difficult of interpretation and far reaching in its effect. Obviously, it needs to be printed and made available to each Senator for study before the Senate shall be called upon to act.

Mr. HILL. That is correct. Surely my distinguished and brilliant friend from Tennessee, who has given so much time and thought to this matter, will agree that, in respect to the Dixon-Vates proposal, it is more or less a moot question so far as the joint committee is concerned. It held hearings on the proposal on June 17 and 18. The joint committee did not see fit to take any action to advise the Atomic Energy Commission that it did not think the contract should be made or, if such contract were made, that certain amendments or modifications should be made in the contract.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished friend, the vice chairman of the Joint Committee on Atomic Energy.

Mr. HICKENLOOPER. I thought perhaps, as a member of the joint committee, I might throw some light on the matter which the Senator is discussing.

Mr. HILL. I should be delighted to have the vice chairman make comment on the situation.

Mr. HICKENLOOPER. I call attention to two places in the bill before the Senate. I call attention to section 51, on page 23, and to section 61, on page 31, in which provisions for the submission of certain proposed actions of the Commission to the joint committee are set forth.

The reason why I invite the Senator's attention to that is that those provisions, which are, I believe, identical, or substantially the same as in the proposed amendment which the Senator is discussing, were given considerable study and thought by the joint committee, and the interpretation of the meaning of the provision with regard to reference to the joint committee and the waiver of the time is as stated by the Senator from Alabama, and as confirmed in his opinion and understanding by the Senator from Florida. I merely wanted to confirm the fact that that was the approach of the joint committee. As to other sections which contain similar provisions, the interpretation of the meaning of the provisions is as stated a moment ago. The joint committee has considered the verbiage of the proposed amendment. I merely wish to confirm the interpretation.

Mr. HILL. I thank the distinguished Senator from Iowa for the information he has given us and for the contribution he has made.

I see no objection to the provision about contracts being referred to the joint committee, but so far as the Dixon-Yates proposal is concerned, the provision is meaningless, because it has been before the Joint Committee on Atomic Energy, which committee held hearings on it for 2 days, June 17 and June 18. If anyone is taking consolation from the fact that this amendment, if it becomes a part of the law, may in any way be effective in stopping what so many of us consider to be an outrageous contract, there is no basis for such consolation. The damage is done, the door is opened, and the basis for the Dixon-Yates proposal, of course, is laid in the first part of the amendment of the Senator from North Carolina, which, as I understand, is a duplication of the amendment of the Senator from Michigan. It seeks to give authority to the Atomic Energy Commission to enter into the Dixon-Yates proposed contract, and then to go even further than that, as I have said, and enter into a contract, or many contracts. for an amount of power five times as large as that which would be provided for under the Dixon-Yates proposed contract.

On yesterday, the distinguished Senator from Tennessee [Mr. Gore], in what I have referred to as a brilliant and devastating attack on the proposed contract, one of the most brilliant and devastating attacks I have heard since I have been a Member of the Senate, some 18 years, laid bare the Dixon-Yates proposal with all its iniquities and all its outrageous provisions.

Mr. GORE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to my good friend from Tennessee.

Mr. GORE. Perhaps it would be better if I were absent when such complimentary remarks are made, but since I am present I wish to thank the Senator from Alabama, but I feel that his gen-

grous remarks are undeserved.

Mr. HILL. As the distinguished Senator from Tennessee knows, it was my privilege to be on the floor and to hear practically every word of his very great and powerful address on yesterday. I reiterate that I have heard no more brilliant and devastating attack than that made yesterday by the Senator from Tennessee in exposing the iniquities and outrages embodied in the Dixon-Yates proposal.

Mr President I shall not at this time carry coals to Newcastle by going over that which the Senator from Tennessee covered in such masterly fashion on yesterday. I wish to say, however, that since the debate started, the management of the Tennessee Valley Authority has been accused of overcharges or unwarranted and exceptionally high rates in contracts it has made with the Atomic Energy Commission. The reason for such accusation is clear. The Tennessee Valley Authority refused to bear false witness. Its experts, members of its staff, testified before the Joint Committee on Atomic Energy on June 17 and June 18. There, in response to questions of members of the committee they gave their judgment as to the costs the Government would assume if the so-called Dixon-Yates proposal were accepted as a substitute for TVA's proposal to add generating capacity in its region by the construction of a plant at Fulton, Tenn., and the addition of units to the existing plant. Having given that testimony, they are now subject to attack.

We have had presented here memorandums and statements prepared by the AEC, alleging that TVA has overcharged the AEC for power it delivers to their installation. The charge, Mr. President, is not true. A little later in my remarks I shall refer to the charge

in greater detail.

We find, also, that the Bureau of the Budget has entered into this campaign against TVA. A document is circulated among Members of the Senate. One charge, particularly, against TVA attracts my personal attention. The Bureau of the Budget suggests that TVA is making power available in areas beyond its statutory limitations, beyond the jurisdiction prescribed in the Tennessee Valley Act by the Congress of the United States. That charge, Mr. President, is also untrue, and in my remarks I shall deal with it a little later and in more detail

All these charges, I may say, are a part of a smokescreen-a smokescreen to protect the AEC from detection as it prepares to enter into a contract which it has no authority whatsoever to execute. As I have said, the intro-duction of the Ferguson amendment confirms the fact that the AEC has no such authority to enter into a contract which is entirely outside the field of the AEC's legitimate responsibilities, a contract which is ordered to be consummated for the single purpose of dismembering TVA, a first step to TVA's destruction.

All these charges, Mr. President, I shall discuss in more detail, but before I do so let me recite a little history, as dispassionately as I can, to explain how this amazing Dixon-Yates proposal happens to be the subject of discussion on the Senate floor at this time.

Before Senators who are not closely in touch with the condition reach their conclusions on the basis of misinformation, let me describe the origin of the present controversy.

In the autumn of 1952, the Board of TVA presented to the Budget Bureau an estimate of its appropriation requirements for fiscal 1954. Thirty million

dollars of the total was requested in order that TVA might begin construction of a steam generating plant in fiscal 1954, the year just ended. That is the plant which has been referred to a good many times on the floor as the Fulton plant, which derived its name from the fact that it was to be built at or near Fulton. Tenn.

The request, I may say, was supported by a thorough analysis of the growth of the load expected in Memphis, and the location, as I have said, was selected at Fulton, Tenn., some 30 miles north of

Memphis.

The Bureau of the Budget recommended the appropriation to Congress. In January, after the new administration had taken office, a reexamination of the budget previously submitted was undertaken. In the revision, the new administration decided to drop from the budget the item for the Fulton plant. The reason given, as I recall, was that time was desired in which to study the load growth estimates submitted by TVA.

There was an effort then, mild compared with the current operation, to discredit the load growth estimates of TVA in the past. But another year's study has confirmed TVA's estimates and their correctness, and has convinced the new administration that the load growth estimated by TVA must be met.

In the fall of 1953-last fall-the TVA Board again appeared before the Bureau of the Budget, and the construction of the Fulton plant was recommended once more. Once more it was rejected. rejection was the same, but the reason advanced for the rejection was different. The reason advanced was presented in the President's budget message, which came to the Senate in January of this year. There was no effort this year to dispute the fact that the load growth in Memphis and the surrounding area was certain. The President suggested, however, that as an alternative to recommending an appropriation to begin construction of the Fulton plant, the possibility of meeting the situation in another way should be explored.

The AEC would be directed to discover whether other sources of power might be found for its operations—the AEC operations—at Paducah, Ky., so that TVA might be relieved of from 500,000 to 600,000 kilowatts of its total commitment of 1,205,000 kilowatts to AEC. Then TVA would be able to recaptureto take back—that much of its capacity at the Shawnee plant, a TVA plant at Paducah, Ky., which had been built by TVA at the request of the Atomic Energy Commission, to supply power to the Atomic Energy Commission's Paducah plant. Since TVA would be able to recapture that much of its capacity at Shawnee, and to use that energy to meet the growing loads of its system, the construction of the Fulton plant need not begin.

Apparently the Atomic Energy Com-mission made an effort to do what the President suggested in his budget message. That is, the Atomic Energy Commission evidently endeavored to find another supply of power for the Paducah atomic-energy plant, in order to relieve the TVA of 600,000 kilowatts being produced at the TVA Shawnee plant, which, as I have explained, was the plant which TVA built at the request of AEC to supply power for the AEC at the AEC's Paducah plant.

The Dixon-Yates combine made an offer to provide that power—power not to the TVA; power to the AEC.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend, the distinguished Senator from Tennessee.

Mr. GORE. Is it not reasonable to say, then, that the only relevant comparison of proposals is a comparison of the TVA proposal to build a steam plant at the Fulton site, near Memphis, and the Dixon-Yates proposal to build a steam plant in Arkansas, near Memphis? It is not relevant to compare the Dixon-Yates proposal with Shawnee, or with anything else, except the proposal at Fulton.

Mr. HILL. Exactly, because the proposed Dixon-Yates plant at West Memphis, Ark., and the Fulton, Tenn., plant, proposed to be built by TVA, would be similar plants, built, perhaps, under approximately similar conditions, to serve similar loads, or similar types of loads, and similar customers.

Mr. GORE. As a matter of fact, to

serve an identical load.

Mr. HILL. To serve an identical load; exactly.

Mr. GORE. Therefore, will not the Senator agree that all the other irrelevant comparisons submitted to Congress serve only to confuse, rather than to clarify, and to becloud the choice which the Bureau of the Budget and the President made between the two?

Mr. HILL. The Senator is exactly correct. Any comparison other than the comparison suggested by the Senator from Tennessee, which is a comparison between the Dixon-Yates proposed plant at West Memphis, Ark., on the one hand, and the proposed Fulton TVA plant on the other hand, would be entirely out of line, because it would deal with different facts, with different situations, with different conditions, with different customers, and with different needs for power.

To illustrate what I mean by needs for power, a plant serving the Atomic Energy Commission at Paducah, Ky., must have power on the line not 23 hours out of 24, but 24 hours out of 24. There must be a full power load 24 hours out of 24.

A plant serving, let us say, the city of Memphis, or perhaps producing private power for REA—merely general consumers—would have what are called peak hours, when the demand would be great, and then off-peak hours, when there would not be so much demand for the power.

So, as the Senator from Tennessee has so well said, there can be but one really true, honest comparison, and that is between the proposed Fulton plant and the proposed Dixon-Yates West Memphis plant.

Mr. GORE. Will not the Senator go further and say that the only comparison which was submitted to the joint committee, the comparison upon which the Bureau of the Budget submitted its estimates, upon which the Federal Power Commission submitted its esti-

mates, and upon which the Atomic Energy Commission and the TVA submitted their estimates, all related to these two alternatives?

Mr. HILL. The Senator is exactly correct. The estimates were submitted relating to those two alternatives because there was no other alternative. It was a question of one of those two alternatives. There were no other alternatives, any more than if an attempt had been made to relate one of those alternatives to, perhaps, a powerplant in Elmira, N. Y., or somewhere else.

As I have said, the Dixon-Yates combine made an offer to provide the power which would have made it possible, had it been supplicd, to let TVA recapture about 600,000 kilowatts of power which TVA is under contractual obligation to supply the Atomic Energy Commission at its Paducah plant.

The Dixon-Yates group offered to build a plant at West Memphis, Ark., about 200 miles from the Paducah facilities of the AEC, and enter into a contract with AEC to supply power for AEC. TVA, under the Dixon-Yates proposal, would simply transmit the energy over its lines to the Atomic Energy Commission's installations.

According to the document now circulated by the Bureau of the Budget, the first offer-that is, the offer I have been speaking of-presented by the Dixon-Yates combine was rejected because, quoting the exact language of the Bureau of the Budget, "it was believed to involve excessive costs to the Government." A revised proposal from Dixon-Yates was obtained in an effort to more nearly equal what TVA could do. revised proposal was analyzed. The analysis proved that an extra annual cost of \$2,923,000-nearly \$3 millionevery year would be involved to AEC if the proposal were accepted and a contract were made with Dixon-Yates to replace a portion of the existing contract with TVA for TVA's Shawnee power.

The AEC must have thought the cost excessive, because it did not want to accept the proposal. I may say to the Senate all that was brought out in the hearings before the joint committee. All one has to do is read the testimony and the letter from Commissioner Smyth, which the distinguished Senator from Tennessee read on yesterday, to see exactly why the proposal was not accepted—namely, because it meant \$3 million of extra cost to the Atomic Energy Commission.

The fact is that whereas the AEC representative estimated an extra cost of \$3 million, the TVA arrived at an estimate of more than \$4 million a year in extra cost to the Government. I think it fair to assume that the AEC, though presently engaged in an attack on the TVA, recognized in fact that TVA's estimates were more likely to be correct than the estimates of the AEC or of the Bureau of the Budget. At any rate, the comparison was made, a table, dated April 21, was prepared, and the proposal was not accepted.

That was the point at which the Atomic Energy Commission should have bowed out of the picture. It should have advised the President of the United States that it was not feasible and not

economical for AEC to relieve TVA of any portion of its contractual commitment at Shawnee; and the Bureau of the Budget should then, with Presidential approval, have submitted an estimate of the amount required to add capacity to the TVA power system.

If the AEC had chosen to accept the proposal as a means of providing power for its operations, we know the AEC could have been, and no doubt would have been, subject to criticism for extravagance. The business judgment of its managers would have been in question. But at least the Congress of the United States would have been spared the picture now before it of a proposal which would prostitute the powers and pervert the purposes for which the Atomic Energy Commission was established.

The Dixon-Yates proposal now pending is not designed to provide power which the Atomic Energy Commission proposes to substitute for Shawnee power at Paducah. AEC does not propose to relieve TVA of a single kilowatt of its commitment to provide power from the TVA Shawnee plant.

AEC is now proposing to have 2 contracts for the same block of power, 1 a contract with TVA, which it now has, to deliver power to its Paducah plant; annother contract with Dixon-Yates for 600,000 kilowatts, which is completely surplus to the needs of AEC—not 1 kilowatt of which does the AEC need, and not 1 kilowatt of which does the AEC propose to take.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Montana.

Mr. MURRAY. Will the power which is to be provided by Dixon-Yates be transmitted over the transmission lines of the TVA?

Mr. HILL. It will go over the transmission lines of the TVA, but not to the Atomic Energy Commission. It will simply go to the customers of TVA within the Memphis area of the TVA territory. Not one kilowatt will go to the AEC.

Mr. MURRAY. Will the TVA receive any compensation for transmitting the power, as do the private utilities? The private utilities sometimes charge very high rates for transmission of power over their lines. I was wondering if the TVA would be given any credit for the transmission of power.

Mr. HILL. No. The TVA will not be transmitting any power for AEC. TVA will simply be receiving this power for its customers within the Memphis area of the Tennessee Valley.

On page 1004 of part II of the hearings before the Joint Committee on Atomic Energy, held on June 17 and 18, 1954, to which I adverted earlier, we find the following statement was made by Mr. Thomas Murray:

Mr. HOLIFIELD-

As we know, he was referring to Representative HOLIFIELD, of California, a member of the joint committee—

as I view these negotiations, they amount to this: That if the Atomic Energy Commission enters into a contract with the Dixon-Yates group, we would not cancel, at least

General Nichols, manager of the Atomic Energy Commission, had just previously testified-

any TVA contracts, but would be negotiating for a bulk of power that is not needed

That means the AEC-

present or projected production facilities. In other words, the Atomic Energy Commission would be used as a vehicle to supply the expanding needs of the Memphis area.

As I said, and as has been stated on the floor of the Senate many times, the Atomic Energy Commission would be used as a power broker to buy power, not one kilowatt of which the Atomic Energy Commission will need. It will merely buy the power for TVA and its consumers in the Memphis area of the Tennessee Valley Authority territory.

Mr. MURRAY. Does the Senator from Alabama understand that the Memphis area has greatly expanded as

a result of the TVA?

Mr. HILL. The Memphis area has experienced a very fine growth. As we know, Memphis is a great city on the Mississippi River, and is the largest city in Tennessee, and the largest city in that particular area. It has experienced a fine, dynamic growth.

Mr. MURRAY. I recall that, because of its development, it was able to have located within it a plant which had been intended to be located in Montana.

Mr. HILL. Let me say to the Senator from Montana that, because of his valiant efforts in behalf of the Hungry Horse Dam, and because of the construction of all the other great dams in the Northwest, the people of Montana enjoy relatively low-cost power. Of course, in the Tennessee Valley area, as in all other parts of the Nation, there has been a persistent load growth and an increasing demand for power. That has been wonderful for the economy of the country. That has been the experience both in the Northwest and in all other sections of the Nation. I may say that the TVA's load growth has been at the rate of 750,000 kilowatts a year.

Mr. President, as I have said, if the Dixon-Yates contract is consummated, the Atomic Energy Commission will be nothing but a power broker; it will purchase the power from Dixon-Yates, for sale to the TVA, which in turn will sell the power to consumers in the Memphis

area.

I have previously referred to the statement by Mr. Murray, and I shall refer to it again, and in greater detail. As we know, the proposed Dixon-Yates contract was opposed by 3 of the 5 members of the Atomic Energy Commission; in short, the contract was opposed by a

majority of the Commission.

We also know that for its authority to enter into this fantastic arrangement, the Atomic Energy Commission relied upon, or pretended to rely upon, a new subsection (d), which in 1953 was added to section 12 of the Atomic Energy Act of 1946. That subsection authorizes the Commission, in connection with the construction and operation of its Oak Ridge, Paducah, and Portsmouth instal-

at the moment-and I just heard General lations, to "enter into new contracts or modify or confirm existing contracts to provide for electric-utility services for periods not exceeding 25 years," and so

> The same language is now to be found in section 164, on page 79 of the pending bill.

Mr. President, I must say that if the President's directive to enter into the proposed Dixon-Yates contract contemplated a source of additional power for the needs of the Atomic Energy Commission itself, the provision I have just cited would seem to provide adequate statutory authority. However, the letters of June 16 which were sent directly by the Bureau of the Budget to the President: to Chairman Lewis L. Strauss. of the Atomic Energy Commission; to Vice Chairman Harry Curtis, of the Tennessee Valley Authority; and to the senior Senator from Massachusetts [Mr. Saltonstall, chairman of the Independent Offices Subcommittee of the Senate Appropriations Committee, make it clear that what I have said is true, namely, that that is not what the Atomic Energy Commission is being told to do. for, as I have said, the Commission not only will continue in full force and effect its contract for the 600,000 kilowatts of power-an amount equal to that involved in the Dixon-Yates proposalbut also will continue in full force and effect the entire contractual obligation of the TVA to supply the AEC with approximately 1,205,000 kilowatts of power at the AEC's Paducah installation.

As the distinguished Senator from Tennessee brought out so clearly in the debate on yesterday, although the AEC would not receive any of the additional power from the Dixon-Yates installation, the Atomic Energy Commission would be obligated to reimburse Dixon-Yates in the amount of State and local taxes on the new powerplant to be built in Arkansas, such taxes being estimated today at \$1,499,000. Of course, no one can tell what they may amount to in the future, although taxes usually rise, and seldom, if ever, decline. In addition, the Atomic Energy Commission would be obligated to reimburse Dixon-Yates for all its Federal income taxes; including not only the normal income taxes, but also the surtaxes; and if an emergency situation were to develop, with the result that Congress would feel constrained to levy excess-profits taxes, the Atomic Energy Commission would have to pay all the excess-profits taxes for which the Dixon-Yates combine would be liable.

Mr. President, if our country should again find itself in an emergency situation, if we should again be at war-although all of us devoutly pray that such a catastrophe will not come to pass-if American boys should again have to be sent to foreign battlefields, to fight and to suffer, and some of them to die; if many of them should be sent into armed conflict and their bodies be broken, blasted, and burned on the field of battle: and if those at home were forced to stagger under an excruciatingly heavy burden of taxation, with many of them perhaps being crushed by that great burden; if all that should come to pass, nevertheless Dixon-Yates would stand off by itself, without \$1 of taxes to pay, without \$1 of taxes to go from it into the Treasury. Dixon-Yates would not have to carry even one part of that excruciatingly heavy, staggering burden. On the contrary, the Government of the United States would, as the guarantor, pay every dollar of taxes that might be levied on Dixon-Yates, which would stand in that special, favored, preferred position. No matter what might be the suffering or the sacrifices or the heavy burdens carried by the American people. not so with Dixon-Yates. They would stand off-alone, apart, favored, preferred, excused-I might say-or exempted-I might add-from carrying any part of their rightful burden for the defense of our country and its institu-

Mr. SPARKMAN. Mr. President, will the Senator from Alabama yield to me? The PRESIDING OFFICER (Mr. BAR-RETT in the chair). Does the Senator from Alabama yield to his colleague?

Mr. HILL. I yield.

Mr. SPARKMAN. My senior col-league has well depicted how Dixon-Yates will stand alone, exempt from taxes. Is it not also true that they will

likewise be exempt from risk?

Mr. HILL. In reply, let me say to my distinguished colleague that although there is much talk about free enterprise yet we know that nothing enters more into free enterprise than competition. There is none of that here. This is a tailor-made proposal, as the distinguished Senator from Tennessee [Mr. GORE] said, for this one concern, the Dixon-Yates combine. There is absolutely no risk. I am sure that if this outrageous contract should ever go into effect it would go down in history as the guaranteed-profits contract, because no risk is involved. There is no venture. There is no chance taken by the Dixon-Yates combine. If there be any risk, if there be any chance, if there be any venture, it is all on the part of the Government of the United States.

Mr. LEHMAN. Mr. President, will the

Senator yield?

Mr. HILL. I yield to my friend for a question.

Mr. LEHMAN. Is it not a fact that not only do they assume no burden of risk, but they are actually guaranteed a profit on the amount of capital which

they provide?

Mr. HILL. The Senator from New York is exactly correct. As I say, this contract will go down in history not as an example of private enterprise, but as the guaranteed-profits contract. I do not know what brand of socialism this may be, but certainly I can find no private enterprise in it.

Mr. SPARKMAN. Mr. President, will

the Senator yield?

Mr. HILL. I yield to my distinguished colleague from Alabama.

Mr. SPARKMAN. I wonder if the Senator may find some area of agreement with someone who has described the proposed contract not as creeping socialism but galloping favoritism.

Mr. HILL. It will go down in history as galloping favoritism. We speak about the Missouri Compromise, and the Wilmot proviso. This contract, if it goes into effect, will be known, perhaps, as the galloping guaranty. It will be recorded in history as the galloping guaranty. Surely, as the Senator says, it is galloping favoritism at its rankest and

Mr. SPARKMAN. Mr. President, will the Senator yield once more for a question?

Mr. HILL. I am glad to yield to my colleague from Alabama for a question.

Mr. SPARKMAN. Is it not true that the elements which we so often think of as being fundamental to private enterprise, that is, first of all, competition: second, risk; and third, payment of taxes, are totally lacking in this most unusual proposal? Are not all three of them lacking?

Mr. HILL. As the Senator suggests by his question, all the elements which constitute free enterprise, as we have known free enterprise in this country from its very beginning, are lacking. What we have is a brand of socialism under which the Government of the United States takes all risks, all venture, all hazard, and gives to the Dixon-Yates combine an absolute guaranty of its profits. The one thing which we have here which might even suggest the idea of private enterprise is the element of profit. But in this instance that is not an element of private enterprise, because profit is guaranteed by the Government of the United States. I hope Senators will think about this contract and what it means.

As I said before, we fervently pray that we shall not again find our country at war. However, we know that in the past 35 years the United States has been in 3 wars. In each of them we have been forced to send American boys across the seas to foreign battlefields to fight, suffer, and die. The earth may again run red with the blood of American boys. The seas may be incarnadined with their rich red blood. Yet here, sheltered, protected, freed from any obligation or any burden whatsoever, to enjoy this special favor, this special privilege of guaranteed profits, with no risk, and with all taxes paid, stands the Dixon-Yates combine.

I have long thought that this administration looked with particular favor upon private power utilities. But it would never have entered my mind that any administration would go to the extent of proposing so outrageous, so shocking a contract as is embodied in the Dixon-Yates proposal.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Montana.

Mr. MURRAY. I dislike to interrupt the Senator, but I did not serve on the committee which worked up this contract. I was wondering if the Senator was not overlooking some of the new ideas which have developed in connection with free enterprise.

Yesterday, I read in the newspaper that Mr. Wolfson, of Florida, stated that it is now easier to make \$1 million than to make \$1,000. So there must be some new ideas which have developed in recent times, which we may be overlooking.

Mr. HILL. The Senator may be correct, but surely there are no new ideas about private enterprise involved in the Dixon-Yates proposal. I know my distinguished friend from Montana will agree with me that there is no private enterprise in the Dixon-Yates proposal. It is socialism in its rankest, most revolting form. If the Government of the United States is to take all the risk, guarantee all the profits, and pay all the taxes, no matter what the conditions in this country may be, no matter what taxes others may be paying, no matter what sacrifices others may be undergoing to save our country-surely if the Government is to do all those things, socialism, as we have known it in the past, is to be preferred.

Mr. President, the Ferguson amendment, in its effort to give authority to this proposed contract, and to remove some of the stench from it, uses the word "replacement."

Mr. GORE. Mr. President, will the

Senator yield?

Mr. HILL. I yield to the distinguished Senator from Tennessee for a question.

Mr. GORE. If the Atomic Energy Commission should be authorized to make a contract with a private concern to replace power which it is buying for its use, does not the Senator from Alabama think that preference should be given to the replacement of the highest cost power? If the Government of the United States is to make a contract to relieve itself of a contract which it has, if the Atomic Energy Commission is to be authorized to make a contract to replace power which it is buying for its own use, would it not be better to replace the highcost power rather than the most economical power?

Mr. HILL. Of course every dictate of business reason would tell us that. I do not doubt that the Senator has in mind the EEI contract and the OVEC contract. As the Senator knows, EEI ran some \$50 million above its estimates in the construction of the Joppa plant, which was directly across the river from Paducah, Ky., and which supplies half of the power for the AEC Paducah plant. Half of the power is supplied by TVA from its Shawnee plant, and the other half by EEI, a combination of private electrical companies, from its Joppa

I could tell a story of excess costs piling up on the Government of the United States that would be almost unbelievable, but the Senator knows well that the EEI went some \$58 million over its estimates. He also knows that the AEC contract with EEI was a cost-plus contract. Whereas the cost at the TVA Shawnee plant ran approximately \$145 a kilowatt, the cost at the Joppa EEI plant is running \$190. Senators can figure out the difference, with the profits and the interest and the many other costs, and they will see what that means in the way of extra costs the Government will pay over the period of years these contracts are in force.

On page 1003 of the record there appears a letter signed by Lewis L. Strauss, Chairman of the Atomic Energy Commission, under date of May 19 last. addessed to Representative SIDNEY R.

YATES, of the House of of Representatives, in which the Chairman of the Atomic Energy Commission says that the Joppa estimates ran \$58 million higher than was expected when the estimates were made, and that the OVEC estimates ran \$32 million over the estimates.

It shows that the estimated increase in annual power charges to the Government, because of the additional cost of the facilities at Joppa, will be \$2,800,000 a year, and that the extra cost at the OVEC plant will be \$1,600,000 a year. The total extra cost is \$4,400,000. If we multiply that sum of money by 25 years, it will give some idea of the extra cost. It should be remembered also that any business concern, of course, would add interest on that money. So it might well be asked how many hundreds of millions of dollars these excess costs to the Government will aggregate.

Mr. GORE. The Senator has about convinced the junior Senator from Tennessee that if the Senate is to relieve the Atomic Energy Commission of some contracts, the particular ones we need to get off its back are the OVEC and Joppa contracts.

Mr. HILL. The Senator is exactly right. The excess burdens placed on the backs of the taxpayers of the United States are in the EEI contract and in the OVEC contract. Therefore, as the Senator says, every dictate of sound business, of economy, and of wise man-agement would say. "Let us replace the excessive costs of EEI and OVEC power.' Surely every Senator has heard about the Ebasco fiasco in the building of the EEI plant-the fiasco that has contributed so much to these excess costs. So it is interesting to note in this connection that the Ebasco Co., according to the record, is to be employed by the Dixon-Yates combine to build the West Memphis plant if this outrageous contract is signed.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HILL. I am delighted to yield to my distinguished colleague from Alabama.

Mr. SPARKMAN. I should like to ask my senior colleague, in connection with the statement made by the Senator from Tennessee a moment ago, to the effect that if there are any contracts of which we ought to relieve the Atomic Energy Commission, they are the contracts made in connection with the Paducah plant, with the EEI group, whether it is not a fact that under those contracts the Atomic Energy Commission is pretty well tied down with an indemnity clause which would make it extremely expensive to the United States Government in the event there was a cancellation of the contract?

Mr. HILL. The Bureau of the Budget, in speaking about that clause, stated that the liabilities under the clause to which the distinguished junior Senator from Alabama has referred, would be \$40-million-plus.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Tennessee.

Mr. GORE. I should like to inform the junior Senator from Alabama that I did not mean to suggest a cancellation that would be outrageously expensive. The Ferguson amendment does not envision cancellation of the AEC contract with TVA. It seeks to authorize the AEC to make contracts with so-called private enterprise to furnish to the TVA, by way of "replacement," electricity in that amount.

What I am suggesting is if the AEC can make a good enough deal, and it is profitable to the Government and it is in the interest of economy and efficiency and good government to replace, through such contracts, power which the TVA is furnishing to the AEC, then we ought to broaden the Ferguson amendment, if it is such a good thing, to include the replacement of power furnished under these expensive contracts with OVEC and EEI.

Mr. HILL. The distinguished Senator from Tennessee, as we often express it, has taken the words out of my mouth. I was going to say exactly what he has so well and eloquently said. Therefore, certainly, if we are going to have the Ferguson amendment, we ought to take the next step and seize the opportunity to get out of the excessively high-cost and burdensome contracts with EEI and OVEC.

Mr. GORE. I am suggesting that that ought to be the first step, not the next

Mr. HILL. Certainly; because these contracts are putting excessive burdens on the taxpayers; and, as the Senator says, the Government should be relieved of them now.

Of course, as Senators know, Dixon-Yates power, as I have said, is power that AEC does not need and will not use—not one kilowatt of it. Yet the Ferguson amendment speaks of replacement as if AEC was going to use some of the Dixon-Yates combine power.

The Dixon-Yates power, as I have said before, is for the city of Memphis and surrounding areas. Indefensible as is the memorandum of the Bureau of the Budget, and confusing and unworthy as I believe it to be, it did hit the truth in one or two places. Here is one place where it says the Dixon-Yates contract is the result of "the President's decision to provide for the 1957 expansion of power consumption in the Tennessee Valley area through facilities to be constructed by private enterprise."

In a desperate effort to meet the objections challenging the right of AEC to enter into this contract, we find the Bureau of the Budget making this statement:

Under the Dixon-Yates proposal, the Atomic Energy Commission would procure power to meet its needs from a privately owned plant which would be located at a considerable distance from the AEC plant for which the power would be purchased.

Of course, as I have said time and time again, there is no basis in truth or in fact for that statement. Then it makes this statement:

The Dixon-Yates proposal to supply 600,000 kilowatts to the TVA system at Memphis, as replacement for TVA power furnished AEC at Paducah, is similar to the several pre-

vious arrangements under which TVA has supplied additional AEC loads by building new generating facilities at points distant from Oak Ridge and Paducah.

Both those statements are quotations from the memorandum of the Bureau of the Budget.

The Bureau of the Budget makes this third statement which I now quote:

By providing for additional generating capacity at West Memphis to be fed back into the TVA grid in an amount which is necessary to assure delivery of the Commission's requirement at Paducah, this contract can properly be considered as a contract for electric utility service to installations of the Commission.

Mr. President, each and every one of these statements is without any basis of fact and is absolutely untrue.

As to the first point, that AEC would procure power with which to meet its needs, the Dixon-Yates proposal does not provide a way for the Atomic Energy Commission to procure power to meet its needs from a privately owned plant or from any other kind of plant. It already has at Paducah contracts for all the power required to meet its needs. More than 60 percent of this power, amounting to 1.205.000 kilowatts is to come from TVA, and the remainder from Electric Energy, Inc. The AEC does not propose to modify its existing contract with TVA for 1,205,000 kilowatts of power in any respect. Rather, AEC would contract with Dixon-Yates for 600,000 kilowatts of additional power, not for itself, but to be fed into the TVA system for general TVA system purposes. Except for taxes, the AEC does not even propose to pay for Dixon-Yates power. With the exception of the payment for taxes to be made by AEC, all the other costs, all the payments for power, under the Dixon-Yates proposal, are to be met by the TVA.

As for the Dixon-Yates proposal being a replacement arrangement similar to previous arrangements under which TVA is supplied out of AEC power requirements by building new plants at points distant from Oak Ridge and Paducah, there is no similarity at all. On the contrary, the proposal differs from those arrangements in two important respects. In the present case AEC is not expanding its Paducah plant and does not require any additional power at the Paducah plant. The fact is, Mr. President, that earlier I read the testimony of Commissioner Murray in which he said they did not need it in any of their projected or future plants.

Mr. STENNIS. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to my distinguished friend from Mississippi.

Mr. STENNIS. As I have understood, they have all the power they need for the operation of the Atomic Energy plant at Paducah.

Mr. HILL. That is exactly right. If the AEC signs this contract with the Dixon-Yates combine it will be signing a contract for 600,000 kilowatts of power which it does not need, which it will not use, which it has contracted for only for TVA, and which will go into the normal TVA operating system in and around Memphis, Tenn.

Mr. STENNIS. On yesterday, when the question arose concerning the attorney for the Atomic Energy Commission having rendered an opinion that the proposed contract is legal, the Senator from Iowa put the letter into the RECORD for the benefit of Members of the Senate, and I have had an opportunity to read the last paragraph of it. With reference to the point the Senator has made, in order to hold this contract valid, it had to create a shortage of electricity in the operation of the Atomic Energy Commission plants. That is the way they seek to justify the legal authorization. This is what the attorney said:

The increased cost to the Government of the Dixon-Yates proposal as against the Commission's present contract with TVA would be approximately \$3,685,000 annually. However, if the President directs the Commission and TVA to modify their existing arrangement so as to release to TVA 600,000 kilowatts under the present contract, and we do not question the President's authority to do this, then the Commission has authority to make the best contract it can for the replacement of power thus released.

In other words, if they take 600,000 kilowatts of electricity they now have and put it into another channel, there is created a shortage of 600,000 kilowatts, and the statute then applies, because the electricity is needed for the operation of the plant.

I think that is the most circuitous route of legal reasoning I have ever seen.

Mr. HILL. The Senator is absolutely sound and correct. But, of course, when a lawyer is ordered to submit an opinion, he often zigs and zags, and then zags and zigs. That is what this counsel did. He was circuitous. He used the most circuitous and zig-zagged way because he could not go directly to reach the conclusion he had been ordered to reach.

Mr. STENNIS. I note that this memorandum was dated June 22, 1954. That was long after the hearings were held, long after the agreement was tentatively reached. In fact, that is the day after the beginning of this debate.

Mr. HILL. The Senator is correct, and I thank him for the contribution he has made.

I do not know whether the Senator from Mississippi was on the floor when, in the opening of my remarks, I paid my tribute to the magnificent speech he made on the question involved as to the authority of the Atomic Energy Commission to enter into the Dixon-Yates contract. I said then, and I now repeat in the Senator's presence, that I have never heard a more powerful and more compelling presentation than that which he made.

Mr. STENNIS. I thank the Senator.
Mr. HILL. It was the sledge-hammer blows of the Senator from Mississippi which contributed so much to bringing into being the Ferguson amendment.

No one could have heard the speech of the distinguished Senator from Mississippi without knowing that the Senator was absolutely correct, and that he had presented his case with such logic, appeal, and force that any court in the world would be forced to agree

with him that the Atomic Energy Commission did not have any authority or power to proceed under the Dixon-Yates proposal. I think one of the greatest contributions to the debate has been the speech by the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator

from Alabama very kindly.

Mr. HILL. As I was saying, the other arrangements to which I referred, under which TVA was supplying power to the Atomic Energy Commission plants at Oak Ridge and Paducah, were different. They had nothing whatsoever to do with and in no way had any of the characteristics of the proposed Dixon-Yates contract.

As I have said, in all these cases the Atomic Energy Commission was expanding its Oak Ridge and Paducah plants, and accordingly additional power was required. In the present case the Atomic Energy Commission is not expanding its Paducah plant beyond the size heretofore planned, and does not require any additional power at the Paducah plant.

The additional power requirements which the Dixon-Yates proposal is intended to meet are the expanding requirements of the TVA system generally. In fact, as I have said before, and as has been said by other Senators on the floor, the Dixon-Yates proposal simply represents a substitute for construction of the Fulton plant by the TVA, the TVA having proposed the Fulton plant to obtain power to meet the normal growth in its general system loads.

In all cases where TVA built new generating capacity to serve AEC loads, but at points distant from Oak Ridge and Paducah, the particular sites were selected because generating units could be installed and operated at the points selected faster and more cheaply than at alternative sites. In this case, power under the Dixon-Yates proposal would not be available any faster than from a plant at Fulton; and instead of being cheaper, it would admittedly be much more expensive.

There is no need of my going back over the proposition that the additional generating capacity of West Memphis, Ark., is not necessary to assure delivery of the Commission's requirements at Paducah, and that it provides not 1 kilowatt of power for the Atomic Energy Commission. The Dixon-Yates proposal, therefore, cannot be properly considered as a proposal for electric utility service to installations of the Commis-The Atomic Energy Commission needs 1,205,000 kilowatts of power from the TVA system at Paducah, and it already has a binding contract with TVA for that power, which acceptance of the Dixon-Yates proposal would in no way affect. What is in question is TVA's ability to supply increasing power demands on its system generally. The Dixon-Yates proposal is simply a device, and a very poor device, for providing TVA with 600,000 kilowatts of power for that purpose. That is the only purpose which the proposal would serve.

So, Mr. President, this is the situation which confronts us. Let us not forget that 3 of the 5 Atomic Energy Commis-

sioners—a majority of the Commission—felt that the matter of providing power for the TVA area was far removed from any responsibility of the Commission, and was not an appropriate venture for the Commission.

Let us remember also that the General Accounting Office did not approve

of the venture.

If we are now to find that the Commission is to sign this contract, under some kind of directive, although three members of the Commission say the contract should not be signed, and that they are opposed to any such signing, how can the Members of the Senate, the Members of the House, or the American people have confidence in the Atomic Energy Commission? If there is any single commission in which there should be confidence, it is the Atomic Energy Commission, not only because of its very delicate and vital functions-yes, vital to the defense of our country, and more and more vital in days to come to the economy of our country-but also because the Commission operates so much in a field of what is called classified information.

I sit as a member of the Subcommittee on Independent Offices of the Committee on Appropriations. That is the subcommittee which handles appropriations for the Atomic Energy Commission. I can say to the Senate that much of what the Commission is doing, many of the functions of the Commission, many of its responsibilities and activities, are of a classified nature. Much of it falls within the most secret category. Much of the work carried on by the Commission is not disclosed, and perhaps cannot be disclosed. Much of it is not disclosed even to Congress or the committees of Congress, and surely much of it is not disclosed to the public.

If the Commission will knuckle under, shall we say, and become puppets or automatons in the signing of a contract, which in its best judgment should not be signed, which in the best judgment of the Commission should never have been entered into, how can we have confidence in a Commission of that kind? How can we trust such a Commission, with its great variety of functions, activities, duties, and responsibilities, into which we cannot and do not inquire at all?

Surely nothing could be more destructive of the Atomic Energy Commission, of its integrity, of its position, and of the confidence which it commands, than to be ordered to enter into a contract so outrageous as the proposed Dixon-Yates contract, and then to knuckle under and sign the contract.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. GORE. I concur in the statement which the able Senator from Alabama has just made. I think the situation he has described is most unfortunate for the Atomic Energy Commission, for the country, for the program, and for the consideration of the pending legislation. I see no fortunate features of this proposal, or of what will follow, except exposure of the deal.

A Commission charged with such enormous and frightfully important duties is now to have heaped upon it, by this proposal, the unpleasant duty of carrying out an order, if it knuckles under, and to have the burden of making and administering, not only this contract but, according to the Ferguson amendment, possibly other contracts of a similar kind.

Does the able Senator from Alabama think that would help in the development of the Atomic Energy Commission for either national defense or peacetime purposes?

Mr. HILL. It could not in any conceivable way make any contribution to the development of atomic energy either for wartime purposes or for peacetime purposes; but, on the contrary, it could do much to undermine, impair, and destroy the effectiveness of the work, the activity, and the results of the Atomic Energy Commission.

It is hard to think of anything that could be more unfortunate in the field of the production and advancement of atomic energy than such a proposal as is before the Senate today, a proposal for the undermining, impairment, and destruction of the integrity, independence, and the sound operation of the Atomic Energy Commission.

I have referred, not once, but several times, to what the different commissioners have said. There could not be a stronger letter found than that which Commissioners Smyth and Zuckert wrote and signed, which was sent to the Bureau of the Budget, protesting this prostitution and illegal use of the Atomic Energy Commission.

Senators will recall that in that letter Commissioner Smyth and Commissioner Zuckert declared, among other things:

The present proposal-

That is the Dixon-Yates combine proposal—

would create a situation whereby the AEC would be contracting for power not one kilowatt of which would be used in connection with the Commission production activities. The creation of such a contractual relationship would place upon the Commission a continuing responsibility during the 25-year life of the contract for stewardship in respect to matters irrelevant to the mission of the Commission.

That is stating the matter in as diplomatic and as temperate language as possible, I should say.

Feeling deeply, feeling strongly, about this matter, impelled by their consciences to protest, the Commissioners wrote that letter to the Bureau of the Budget.

Mr. Murray, a third member of the Commission, in testifying before the Joint Committee on Atomic Energy, among other things, said:

Since our program is not advanced by these negotiations—

And whose imagination could conjure for 1 minute any advancement that could come out of the negotiations with the Commission?—

and the subsequent administration of this 25-year contract, I do not believe that it is desirable for the Atomic Energy Commission to perform a function that another agency

of Government could perhaps more logically perform.

Remember. Commissioner Murray has been most outspoken in his advocacy of the use of private companies. He was the advocate, and so proclaimed himself to be, and I give him all credit for his candor and frankness, the negotiator, really, who worked out the EEI and the OVEC contracts, because, as he said, he was actuated by the desire and the motivation to use to the greatest possible extent private companies rather than to use a Government agency.

Yet, Mr. President, in spite of those protests of the three Commissioners, in spite of all that we now know about the inequities of the contract, and the fact that it is an outrageous proposal, the administration seems determined to force the contract on the Atomic Energy Commission, and, I might add, on the people of Tennessee. And because TVA dared to question its wisdom, TVA has

been under attack.

I might say, Mr. President, I have visited the Shawnee plant at TVA. I looked at other installations. I have been at installations which were supplying power to the great Oak Ridge plant of the AEC. I know something of the "blood, sweat, and tears," if I may use that term, which TVA has invested in its efforts to keep the power supply abreast of AEC's expanding load. I know something of the relationship between the two agencies, and I think it unworthy of AEC to be a party to this attack to undermine and discredit the TVA.

Mr. MURRAY. Mr. President, will the

Senator yield for a question?

Mr. HILL. I yield to my distinguished friend, the Senator from Montana, for

a question.

Mr. MURRAY. I have been wondering what the attitude of the businessmen and the business organizations of the Tennessee Valley is with reference to this matter. I remember visiting there a year ago, and I found at that time that the people of that area were unanimous in their approval of the TVA. Smallbusiness men, and big-business men as well, expressed their appreciation of the work of the TVA. I am wondering now how those businessmen there-

Mr. LANGER. Mr. President, may we have order? We cannot hear the distinguished Senator ask the questions. Senators are talking with each other on the floor of the Senate. It seems to me they ought to be told to go to the cloakroom if they want to talk, instead of doing so on the floor. We cannot hear the distinguished Senator because of conversations all around us.

The PRESIDING OFFICER. The

Senate will be in order.

Mr. MURRAY. I was wondering what the attitude of the businessmen and the chambers of commerce and the different business institutions in the Tennessee

Valley is on this matter. I may say to my distin-Mr. HILL. guished friend from Montana that a few days ago I placed in the body of the Record a resolution passed by an association representing large-business men, what we might call medium-sized-busi-

ness men and small-business men, as well

as farmers, laboring men, professional workers, and people generally. That resolution, together with a letter, was sent to the President of the United States, protesting the signing of the contract, and urging that the contract not be signed, saying very frankly that they, the power consumers of the Tennessee Valley, who need this power so much, whose future economy and future growth and prosperity depend in such large measure upon obtaining the power, would rather face a shortage of power and be denied the power they need and should have than to have the contract signed

Mr. MURRAY. Has no action been taken on that petition?

Mr. HILL. That protest letter, or petition, was addressed to the President of the United States. If any action has been taken I have not heard of it. I think if there had been any action taken of any consequence, the Senator from Montana and the Senator from Alabama would have been advised of such action.

Mr. President, earlier I have referred to the charge that the TVA has been overcharging the Atomic Energy Commission. I am sorry that my distinguished friend, the Senator from Arkansas [Mr. FULBRIGHT], is not on the floor at this time, for I had advised him that I was going to address the Senate. He was among others who evidently were misled and misinformed about this matter, and have made the charge that the TVA overcharged the Atomic Energy Commission. I am sure the Senator from Arkansas never would have made that charge if he had had the correct information. There is nothing I deplore more than the misleading and indefensible statements by both the Bureau of the Budget and the Atomic Energy Commission, thus giving Senators such erroneous and false information.

Mr. President, in the debate it was said by the Senator from Arkansas that-

One must conclude that what the TVA has been doing is billing the AEC high charges and giving the benefit of profits therefrom to the city of Memphis and other purchasers in the local area. I see no other explanation for it (p. 9643, col. 3, and p. 9644, col. 1).

He bolstered his charge by endeavoring to compare the cost of power sold by TVA at wholesale to the city of Memphis with the charges of the power sold to AEC by TVA.

Mr. President, I know the Senator from Arkansas is no expert on rates. I am no expert on rates, either, although I have endeavored to be a close student of matters affecting TVA since that agency was created. However, I know enough to know that rate schedules are complicated matters; that power to industry is sold under different rates than the rates for power sold for resale to farms and domestic consumers. I know a little about the load factor; and it seemed to me that the proper comparison was between loads of like characteristics: that the costs of energy supplied by TVA from its Shawnee plant should be compared with the costs of energy supplied to the same AEC facilities by the Joppa plant, across the river, owned by EEI. It would make sense to me to compare the cost of TVA power delivered to Paducah from Shawnee with the cost of the power that OVEC, for example, will deliver to AEC's facilities at Portsmouth. It made sense to me that the cost of power to AEC from Shawnee should be compared with the cost of power to AEC from Dixon-Yates. Such a comparison had been made. It was made by the AEC and representatives of the Bureau of the Budget. It showed that the excess annual cost to AEC would be at least \$2,923,000 a year. Those comparisons are valid.

I felt, too, that I would not shed any crocodile tears over possible overcharges for Shawnee power, when AEC refused to give up its contract with TVA, to accept the substitute proposal of Dixon-Yates. If TVA was charging so much, why would AEC be so anxious to hang on to the contract?

I knew the charge that TVA was giving the benefit of the profits from its AEC contract to the city of Memphis was not true, for TVA had with the city of Memphis a contract for more than a decade before there were any AEC facilities at Paducah. During more than 20 years of operation, TVA has earned a net return for the Government, averaging about 4 percent every year on the investment in the TVA power system. Such a return was earned in the years before there were atomic energy plants, and in the years when the purchases of TVA power by AEC were relatively small. The vast increase in TVA's power commitments to AEC has not materially affected the return on investment figure, stabilized before AEC was an important factor among TVA's power consumers. The return has varied from year to year with weather conditions, but there is no indication that it has varied with sales to AEC.

I knew that was the general situation; but, just to be sure, I checked with TVA. I checked the peculiar comparison with Memphis. I was told that the figures were in error; that this month, for example, power is being delivered to Paducah from Shawnee at a cost of 3.56 mills per kilowatt-hour. That is less, not more, than the per kilowatt-hour cost of 3.88 mills quoted as the cost of power sold at wholesale by TVA to Memphis. I was warned by TVA, however, that such a comparison was meaningless as a measure of the equity of entirely different rate schedules. I was reminded that the wholesale rates established in TVA's contract with Memphis and with all its other distributors were fixed to achieve the objectives of the TVA stat-ute—namely, to encourage the wide-spread use of electricity, "particularly by the domestic and rural consumers.'

Mr. President, I had something to do with the writing of that act, for I introduced the bill in the House of Representatives, and I sat on the conference committee, and I was one of those who urged that Congress write into the bill the very requirement to encourage the widespread use of electricity, particularly the use of electricity by the domestic and rural consumers. It was our aim and the aim of all the Congress, when that measure was enacted to try to get power distributed for the benefit of the

farmers and the domestic consumers, to get the power into the homes of the people of the Tennessee Valley, rather than to have all the power purchased by perhaps a few large industrial concerns.

The rates, established long before AEC was a customer of TVA, were at the same time intended to be adequate to cover all the costs of supplying power to TVA's customers, and, in addition, to earn a return to the Government on its investment-a "profit." according to the terminology adopted by the Senator from Arkansas [Mr. Fulbright]. Cities and cooperatives do not use large blocks of power around the clock, as the AEC does at its installations. The facilities at Paducah are served by a giant modern steam plant, constructed by TVA for the purpose. If Memphis and TVA's other distributors had loads of the same characteristics as the AEC load, TVA's whole rate structure would be different. Its system would not be the same.

TVA suggested that if it were important to make comparisons involving the city of Memphis, it might be worthwhile to show what TVA would charge Mem-phis at wholesale if the city were to purchase power to serve a customer having the characteristics of AEC's Paducah installation. For power purchased for such a customer Memphis would pay TVA at wholesale 3.71 mills per kilowatthour. This can be compared with 3.56 mills per kilowatt-hour at which power is moving from Shawnee to Paducah

When the Congressional Record was available. I studied the table which my friend the Senator from Arkansas [Mr. FULBRIGHT] had inserted to support his charge that TVA was overcharging AEC, because, according to him, AEC was paying more than the city of Memphis would pay if the city of Memphis were served under a contract like the TVA-Paducah contract. Frankly, the comparison makes no sense to me. I do not think the Senator from Arkansas understood it either. I found that in the middle column of page 10146 of the Record, near the top the Senator from Arkansas says plaintively, referring to the differences between 3.88 mills Memphis actually paid and the 4.25 mills he thinks they should have paid, "The difference between these figures is hard for me to explain." It occurred to me that it might be easier for the Senator to explain his very peculiar formula if it were applied to Arkansas and to the proposed Dixon-Yates contract. I am glad to report the re-

sults of this odd calculation. In the House hearings on the TVA 2909-2910-Mr. appropriation—pages Moses, chairman of the board of the Arkansas Power & Light Co., testified that he sold power wholesale to REA cooperatives in Arkansas at a rate of 4.94 mills per kilowatt-hour. Now I am prepared to advise the Senator from Arkansas that if those same cooperatives purchased power under the Dixon-Yates contract they would pay more than 6 mills a kilowatt-hour, in contrast to the 4.94 mills Mr. Moses says they pay.

Therefore, according to the theory advanced by the Senator from Arkansas, the AEC is being overcharged by 20 percent in the Dixon-Yates contract. Under

the same formula and the same reasoning Senator Fulbright accused TVA of overcharging AEC only 9.6 percent, as shown in the middle column, page 10146. The whole comparison is nonsense. Rate schedules are complicated, and dissimilar loads cannot be compared. But what is sauce for the goose is sauce for the gander. The only difference is that my table deals with a wholesale customer in Arkansas, and with Dixon-

To me the fact that power from Shawnee is cheaper power for AEC to buy than power from Joppa, from OVEC, or from Dixon-Yates, is reasonably convincing. The fact that the AEC did not choose to drop its Shawnee contract is further evidence that the accusation of "overcharge" is not true, but just to get the record clear, it may be worthwhile for me to describe, as best as I can, how the rates for Shawnee power at Paducah were established.

TVA estimated its construction and operation as a basis for negotiating a contract with AEC. To those estimated costs it added an amount which it expected would provide a rate of return of 4 percent on the Government capital invested in the plan. At the time the contract was being negotiated, representatives of AEC suggested that TVA should not include in the rates any amount of earnings above the actual costs, including the cost of money to the Government. TVA representatives explained that in order to make the repayments to the Treasury which the law requires, and in order to avoid distorting its financial performance record by having a different level of earnings on its AEC business than its other business, it would be necessary to establish rates estimated to provide the 4 percent return. AEC representatives knew that the rates were intended to include this amount above actual power production costs. They knew why it was essential.

The Congress requires the TVA to make certain returns-returns to cover the cost of interest to the Government, returns which will pay off or amortize the cost of TVA power systems within 40 years. The law requires this amortization. TVA could not escape, whether it was making a contract with the Atomic Energy Commission or a contract with some other Government agency or some

other party.

At the time, AEC's disappointment that TVA insisted upon fixing the rates to include a rate of return was somewhat alleviated by the fact that TVA was offering a firm rate as distinguished from the EEI contract being negotiated for power to be produced at Joppa for the same AEC project at Paducah. EEI's was a cost-plus contract. By quoting a firm rate, TVA took a risk. If its costs had run higher than estimated, if operation should prove less efficient than anticipated, its net earnings would have run below the hoped for 4 percent. As a matter of fact, TVA has been able to construct and operate with sufficient efficiency so that the firm rates are providing a little larger net income than originally estimated. Whatever profits TVA makes are the property of the Government and go into the Federal Treasury, as the distinguished Senator from Tennessee [Mr. Gore], who served for so long in the House Committee on Appropriations, so well knows. Such profits go directly into the Federal Treasury. TVA's performance at Shawnee should be applauded, and not criticized by the Atomic Energy Commission or anyone

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished friend from Tennessee.

Mr. GORE. Does not the Senator think it should be recognized that included in the rates which TVA has proposed to charge is not only depreciation, but also a sufficient amount to amortize the plant within 40 years, plus an additional net earning?

Mr. HILL. The Senator is exactly correct. TVA not only must take care of operating and maintenance costs and depreciation costs, but it has been seeking to take care of the cost to the Government for interest on any money the Government may have borrowed. As the Senator knows, the law itself requires TVA to pay into the Treasury an amount of money which, over a period of 40 years, will amortize every dollar of cost of the TVA power system, and TVA has done this. The Senator knows that there have been sharpshooters up and down the highways and byways seeking to take a potshot at TVA. There are those who have wished to criticize and condemn TVA, but its record of management, its record of administration, its record of payments into the Treasury, has been such that it has largely disarmed its critics and enemies.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. HILL. I yield to my friend. Mr. GORE. I think there has been some confusion-and it seems to me the confusion has been purposely injected into the RECORD—as to what is involved in the additional \$3,685,000 a year which the Dixon-Yates proposal would cost the taxpayers, over and above the TVA rates. Some persons have undertaken to suggest that there were some hidden costs or figures. If the Government were to buy the power from the Dixon-Yates combine, and if the Government were to go through with the proposed Dixon-Yates contract, what would those payments involve in addition to the power?

Mr. HILL. I would say to the distinguished Senator from Tennessee that those payments would involve paying for the operating expenses of the TVA installations, the maintenance of the installations, the depreciation charges on the installations, an amount of money that would reimburse the Government for the interest charges on any loans made for funds for the TVA, and, in addition to that, such an amount of money as at the end of 40 years would pay back to the Treasury-or amortize-all of the Government's capital invested in the TVA power installations.

Mr. GORE. At which time the Government would have recaptured all of the cost of the plant, and in the meantime it would have obtained electricity for its own use at \$3,685,000 less a year than it would cost under the Dixon-Yates proposal.

Mr. HILL. Three million six hundred and eighty-five thousand dollars less a year, according to the estimates of the AEC and the Bureau of the Budget, but some \$5½ million less a year according to the estimates of the TVA.

Mr. GORE. I thank the Senator from

Alabama.

Mr. HILL. I am glad the distinguished Senator from Tennessee asked that question. I cannot emphasize too strongly that the cost of \$3,685,000 is the excess cost, the cost each year over and above what the cost would be if the power were supplied by the TVA, and it is the cost estimated by the AEC and the Bureau of the Budget as submitted to the Joint Committee at the hearings before the Joint Committee, which cost, as I say, high as it is, \$3,685,000, is not so high as are the estimates of the TVA, which carry the cost to \$51/2 million in excess costs each year to the Government of the United States.

Mr. GORE. However, for the purposes of this debate, those of us who oppose this outrageous contract, have taken the figures submitted by the Federal Power Commission, the Atomic Energy Commission, and the Bureau of the Budget, on which they have agreed. We do not acknowledge that the figures are sufficiently high, but for the purposes of this debate we accept those figures.

Mr. HILL. The Senator is exactly right. For the purposes of this debate, we accept those figures, which run to a total of approximately \$92 million over a 25-year period. Of course, that does not include the interest which a good businessman would count in, too, because he would have an investment of \$3.635 .-000, and for the remaining 24 years he would be entitled to a certain income in the form of interest. The exact figure, according to the estimates of the AEC and the Bureau of the Budget, is \$92,125,000.

As I say, any good businessman, or any banker, considering this matter, would not think only of \$92 million, but of the interest the \$3,635,000 would draw for the period of this contract, that is, the first \$3,685,000 drawing interest for 24 years, the next \$3,675,000 drawing interest for 23 years, and so on down the line.

Mr. GORE. That is how I have figured it.

Mr. HILL. Looking back on the performance of TVA and EEI, the Atomic Energy Commission might well wish that it had insisted on a firm price from EEI, as well as from TVA. Had such a firm price been obtained, and had EEI built the Joppa plant for less than its estimates, I am sure AEC would not be whining about an overcharge. Instead, possibly in part because EEI was not bound by a firm price, but had a costplus contract, AEC is having to pay a great deal more for the EEI power than had been estimated and than TVA power is costing.

I am sorry that the Senator from Arkansas [Mr. Fulbright] is not on the floor. I advised him that I was going to speak. He even sat by me, and I told him that I was going to address the

Senate. After he made his speech making the charge that the TVA was overcharging AEC, he later made another statement. He evidently realized that his first charge was not borne out by the record and that he had been very much misinformed. He repeated the statement about an overcharge, but this time he was not discussing the power from Shawnee. This time AEC had evidently provided him with figures which based the accusation of an overcharge on the costs paid by AEC for interim power purchased for their use by TVA in fiscal 1953.

The allegation of an overcharge is a serious accusation. It impugns the integrity of the TVA power program and goes to the very question of the honesty of its management. AEC should not make such a charge or accusation without full and meticulous documentation. Yet, as I understand the evidence presented, the only basis for the charge is the fact that TVA charged the AEC an average of more than 8 mills per kilowatt-hour for nearly 1 billion kilowatt hours, which it had delivered to the Paducah AEC plant during fiscal 1953.

I emphasize the fact that it is interim power that I am talking about. During the same period, AEC calculates that TVA paid an average of about 5 mills per kilowatt-hour for 2% billion kilowatt-hours purchased and received by interchange from other systems.

The arrangements under which power systems purchase interim power from other systems, under special contracts or interchange agreements, are highly technical. The Senate is hardly a body of power supply engineers or rate analysts. Surely I claim no such encomium. Neither, for that matter, does the general manager of AEC appear to qualify as an expert in these subjects. If he were an expert he would not draw the conclusions he appears to draw from the meager evidence available to him.

These are the facts, as I now get them and know them. During the fiscal year 1953, nearly all of the power delivered by TVA to Paducah—the AEC plantmust have been brought in from some distance, for the first unit in the Shawnee steam plant began operating in April, and the second in June, just before the end of the fiscal year. Mr. Nichols was talking about the total amount of energy delivered by TVA to Paducah during the entire year. A little of it came from Shawnee, but most of it came from other sources.

I do not know from what source it came. The general manager of the Atomic Energy Commission does not

AEC fails to realize that TVA bought and sold power in day-to-day transactions with its neighbors long before the Paducah plant was started. They read TVA's 1953 annual report and assume that all the power delivered at Paducah was purchased by TVA from other systems. They assume that all the power delivered to Paducah was not only purchased, but purchased at the average rate TVA paid for all power brought in from other systems. TVA bought nearly three times as many kilowatt-hours during the year as it delivered to Paducah.

Most of the energy was probably obtained, as it was before AEC's Paducah plant was built, to help firm up TVA's hydropower in the normal course of operations.

I wonder if the AEC is certain that the power delivered to Paducah was purchased from other systems. Are they certain that none of it came from TVA's old Nashville steam plant which was operated in fiscal 1953 at a cost of nearly 11 mills per kilowatt-hour?

This interim power may not have been available to TVA. As we know, interim power is power bought overnight, so to speak, on a temporary basis. If such power were not available, the only thing TVA could do to meet the power requirements of the AEC would be to operate. for the time being, its high-cost Nashville steam plant.

Does AEC know that no power delivered at Paducah came from the old World War I steam plant at Wilson Dam, operated at a cost of more than 8 mills per kilowatt-hour in 1953? Does the General Manager of AEC know whether the Paducah operation received any power from TVA's Hales Bar steam plant? It cost TVA nearly 8 mills per kilowatt-hour to operate that plant. The 1953 annual report, which shows these costs-page 25 of the appendixalso shows that the kilowatt-hours produced by these three old steam plants equaled half the kilowatt-hours TVA delivered to Paducah. Certainly TVA would never have operated such old plants and incurred these high costs unless some special circumstances required

TVA was to supply this power to AEC. AEC needed the power and had to have it, and, if necessary, TVA had to use the old high-cost steam plants to provide the power.

To document the serious accusation one would need to know the source of energy for every kilowatt-hour delivered by TVA. He would need to know how much it cost TVA to generate the energy or to purchase it. He would need to know what transmission losses had been and what transmission costs were.

He would need to know how much power TVA lost in transmitting it; how long a distance the power had to be transmitted.

If one knew all these things and discovered that the cost to AEC had been unreasonably above the cost to TVA, one would have a case. But there is no case. TVA's rate of return in 1953 went down. not up.

Mr. President, as we know, averages are tricky in a good many kinds of computations. It all depends upon where we start and how we start, how we travel. and how much parallel there is between the subjects being compared. Without any reflection upon anyone, I never indulge in figures without thinking of what Disraeli, the great Prime Minister of Great Britain, said when he declared. There are statistics and statistics and statistics, and then there are ordinary liars." So it all depends, as we say in logic, upon the premise from whence we start.

Far as I am from being an expert, I would know better than to make charges relating to utility costs and prices on the basis of average costs of large quantities of power obtained from a variety of sources at various times and under

different contracts.

My distinguished friend from Missis-sippi [Mr. Stennis] knows that a severe drought is afflicting our section today. Not only is our corn burning up, not only are many of our other crops burning up, not only are our fields dry, but many of our rivers and streams are low in water. What does that mean? When we have rain and have plenty of water, our reservoirs are filled.

No, Mr. President, we cannot make comparisons with average costs of large quantities of power obtained from a variety of sources at various times and un-

der different contracts.

I have said before, and I repeat, that the TVA makes payments equivalent to tax payments, 5 percent of the gross revenue on all power sold except on power sold to the Government or to some agency of the Government. How can we compare a rate which does not have to pay 5 percent out of gross revenues with a rate on power going to some private industry or domestic consumer on which a tax of 5 percent or its equivalent is paid?

Mr. President, the fiscal year 1953 ended more than 13 months ago. The fiscal year 1954 ended about a month Yet the first comment relating to any suggestion of overcharges by TVA was made when General Nichols was testifying in favor of the Dixon-Yates proposal before the Joint Committee on Atomic Energy last month. It would seem that to discredit TVA has now become the line for those who advocate that the combine headed by Mr. Dixon and Mr. Yates should supplant TVA as a power supplier for Memphis and the surrounding area. But there again the TVA's distinguished and fine record cannot be discredited by such tactics.

Mr. President, I spoke earlier of the document circulated by the Bureau of

the Budget.

I find as an argument against the Fulton plant proposed by TVA, in lieu of the Dixon-Yates West Memphis, Ark., plant, this remarkable statement on page 3 of a document circulated by the Bureau of the Budget:

Further, the Fulton steam plant would be on the periphery of the TVA area, 80 miles outside the Tennessee River Basin. As the President indicated at his press conference, the question whether the Government should continue to construct plants on the periphery of the basin, contemplating delivery of power far beyond the TVA area, involves a major question of public policy which was and is under study by the administration. A feasible alternative to immediate construction of the Fulton plant by TVA would provide time for completing the study of this question.

In my judgment, this quotation from the document of the Budget Bureau goes to the heart of the problem. All the rest is smokescreen. The AEC knows perfectly well that it has not been overcharged. The AEC knows perfectly well that no question of power replacement is proposed. Those contentions are parts of the smokescreen to protect AEC, so that they can undertake their attempted illegal action of signing this outrageous contract, concealing the real purpose, which is to dismember the TVA power service area, and to destroy TVA.

Mr. President, I had been speaking of the unusual, preposterous, misleading document of the Bureau of the Budget. I call attention to one more paragraph of the document, together with other comments made by persons close to the administration, indicating that Bureau of the Budget and the President of the United States are under the impression that the public policy established in the act creating TVA contemplated that all the power produced by TVA should be used in the watershed of the Tennessee Valley. That is a very serious mistake, I may say, as one of those who participated in the writing of the act, who introduced the bill in the House, and was a member of the committee of conference.

The boundaries of the TVA power service area are not now and never have been intended to be identical with the boundaries of the watershed. Every Senator knows that a watershed varies. At one point it may be very broad or very wide; at another place it may be very narrow. Particularly is that true in a State which has mountains and high hills, as do many of the States in the Tennessee Valley area. The Allegheny Mountains really come down and finally slope off through North Carolina, north Georgia, Tennessee, and into north Alabama. In north Alabama there are mountains and hills.

Many communities, farmers' cooperatives, and REA's outside the watershed are served by power from TVA. Many communities inside the watershed-and mark this-are served, not by TVA, but

by private companies.

TVA's power service area was determined, within the limits prescribed in the law, by the location of the municipalities and cooperatives which qualified under the requirements laid down in the law to receive service. If communities in the watershed did not wish service, it was not forced upon them. It was not forced upon them in the beginning, and it is not forced upon them now.

It is true, insofar as the construction of multipurpose dams is concerned, that TVA is confined to the Tennessee River and its tributaries. It could not, without a change in its basic law, undertake to construct and operate dams on the Cumberland, the Ohio, the Mississippi, or any other river. The Cumberland is another river in Tennessee. The Tennessee and the Cumberland are so close together, so nearly parallel each other in Tennessee, that they are known in that State as the Twin Rivers.

Congress never intended that the benefits of the Tennessee River system should be confined solely to the people living in the Tennessee Valley or watershed. In the basic act Congress clearly directed that power should be made available to people within transmission distance of a hydroelectric dam. That might mean some people in the valleys some distance from the dam, while other people, on the other side of the valley, might be much closer to the dam, as we know.

Tupelo, the first customer to get TVA power, was outside the Tennessee Valley watershed, but within transmission distance of Wilson Dam, on the Tennessee River.

By the way, Wilson Dam was not built by the Tennessee Valley Authority; it was built under section 124 of the National Defense Act of 1916. Construction was started during World War I and was finished after World War I by the Corps of Engineers, not by the Ten-

nessee Valley Authority.

The fact that the Fulton steam plant is proposed to be located outside the Tennessee River Basin does not mean, as the Budget pretends to believe, that TVA is "contemplating delivery of power far beyond the TVA area." The Budget knows better than that. The Fulton plant is proposed, as the Budget knows, to meet the growing needs of the TVA's existing power service area, but only to meet the needs of the existing power service area. The Fulton plant is proposed to meet an expansion in load, not an expansion in territory.

Mr. GORE. Mr. President, will the

Senator yield?

Mr. HILL. I yield to the distinguished

Senator from Tennessee.

Mr. GORE. The only effort involved, then, to invade the territory of an established service area is by means of the proposed Dixon-Yates contract to invade the TVA service area. Is not that correct?

Mr. HILL. The Senator is exactly right. There is but one proposal for invasion, and that is the proposal of the Dixon-Yates private power monopoly combine to invade TVA area, an area which TVA had almost from the very beginning, which it has served year after year after year.

The Senator from Tennessee knows, as well as I do, that the TVA has been scrupulous, not only in carrying out the law, but in being careful not in any way to invade or impinge upon territory beyond its existing boundaries. As the Senator has said, there is a proposed invasion, surely, but that proposed invasion is not on the part of the TVA. It is a proposal by the private power monopoly combine to invade the TVA territory.

Mr. GORE. Then the peace in the valley, to which the late Wendell Willkie referred with respect to the 1939 act, which stabilized the service areas in that territory, is being disturbed, not by the TVA, but by the private power trust?

Mr. HILL. The Senator from Tennessee is exactly correct. As he so well knows, and as he has suggested by his question, Mr. Wendell Willkie, at that time head of the Commonwealth & Southern, which was then the holding company for the power companies in the southeast, worked out with the Government an arrangement whereby TVA would be left its existing service territory. The Commonwealth & Southern, the holding company, was well paid for the interest it had anywhere in that territory. That was the arrangement which was worked out at that time to compensate the private power company, in order that the TVA might carry on within that service territory.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to the Senator from

South Carolina.

Mr. JOHNSTON of South Carolina. Does the Senator from Alabama think that the Dixon-Yates contract will in any

way interfere with the TVA?

Mr. HILL. I think it is the first step looking toward the dismemberment and the destruction of the TVA. As I have often said, there has been only one trouble with the TVA-it has done its job too well. It has given to us a yardstick that has worked, a yardstick that has been fair and honest, and a yardstick that has brought down the power rates of the

power companies.

Above everything else on earth, what the private-power monopoly seeks to do is destroy the TVA and the TVA yardstick, and the private-power monopoly knows that to be so. If the monopoly can ever put the TVA in such a position that it will be dependent on the privatepower monopoly for the power the TVA must have for its consumers, then and there the yardstick will be destroyed and the TVA will be destroyed.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I understand President Eisenhower is

advocating this proposal. Mr. HILL. He is not only advocating it; he sent a directive, over the opposi-tion and the protest of 3 of the 5 members of the Commission, ordering the members of the Commission to sign the proposed Dixon-Yates contract.

Mr. JOHNSTON of South Carolina. Is that not in direct contradiction to what President Eisenhower advocated when he was campaigning for the Presidency of the United States?

Mr. HILL. There is no question about The proposal is absolutely in con-

tradiction.

Mr. JOHNSTON of South Carolina. Did he not make a statement in regard to the TVA at that time?

Mr. HILL. Yes. This is what the President, who was then a candidate, said:

If I am elected President, TVA will be operated and maintained at maximum effi-I have taken a keen appreciation of what it has done and what it will be able to continue to do in the future. Under the new administration TVA will continue to serve and to promote the prosperity of this great section of the United States.

I inform my friend, the Senator from South Carolina, that that is the wording in a telegram sent by the President, then the candidate, to the editors of the Knoxville News-Sentinel and the Memphis Press-Scimitar 2 days before election day in 1952.

Mr. JOHNSTON of South Carolina. He was talking out of the left side of his mouth then. Now he is talking out of the right side. Right or left, he certainly changed the sides of his mouth from which he was talking.

Mr. HILL. I will say to my distinguished friend from South Carolina that the President's actions have not in any

way squared with the promise he made the people of Tennessee on the eve of his election in November of 1952. The Senator from South Carolina will recall that, unlike what happened in his State of South Carolina and in my State of Alabama, the people of Tennessee voted for President Eisenhower, and I think it would be difficult to overestimate the tremendous persuasion and the overriding influence of this promise the President made the people of Tennessee 48 hours before they marched to the polls and voted for him.

Mr. President, as I have said, the Fulton plant is proposed to meet expansion in load, not expansion in territory. As a matter of fact, there has been no particular expansion of the TVA territory in latter years. The Senator referred to 1939. That is the year when we hoped and sought to bring peace in the valley, and when we paid a handsome sum to the remaining interest of the private power companies in the State of Tennessee.

As we all know, TVA has built a number of steam plants, and not one of them has resulted in any expansion of TVA territory, and not one of them was built with any thought or contemplation that there would be an expansion of TVA territory. Apparently, however, this is the question the President and the Bureau of the Budget propose to study. A study of the applicable provisions of the statute TVA's performance under the statute would take only a few hours of

Oh, if I could only get the President and the Bureau of the Budget to read the TVA statute. If I could only get the General Manager of the Atomic Energy Commission to read the TVA statute. It would not take long to read that statute. It would take just a few minutes to read it, and it would give them a chance to try to understand something about TVA, about its territory, about its duties, about its responsibilities.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield to the distinguished Senator from Oregon for a question.

Mr. MORSE. Am I correct in supposing that the expressed desire of the Senator to have the President read the statute is based on the assumption that the Senator thinks there might be on the part of the President openmindedness and the possibility of changing his opinion with regard to the giveaway proposed in the contract?

Mr. HILL. I am not optimistic about the giveaway. The Senator from Oregon must not charge me with undue optimism. But surely, if we could get the President to read the statute, we might at least have a faint ray of hope that he would remember the promise he made to the people of Tennessee 48 hours before they voted for him for President, and at least accord a little more enlightened consideration to TVA.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Tennessee.

Mr. GORE. According to the press, the President said he had ordered the signing of the 25-year contract in order that he might have time to study it. Perhaps the President is going to study it a long time.

Mr. HILL. Is the Senator implying that perhaps he is going to study it for 25 years?

Mr. GORE. No. Mr. HILL. The Senator from Tennessee knows that after a 25-year contract is signed, even though one might study it for 25 years, he could not do anything about it.

Mr. GORE. The time to study it is

before the contract is signed.

Mr. HILL. Yes: before the contract is signed. Mr. MORSE. Mr. President, will the

Senator from Alabama yield?

Mr. HILL. I yield to the Senator from

Mr. MORSE. Mr. President, am I to understand from the observations of the Senator from Alabama with respect to his hope that the President might change his present position regarding the contract, because of a promise he made during the campaign to the people of Tennessee, that if there is some hope that the President might do that in respect to the people of Tennessee, then there is hope that he might change his position on the farm question, in view of the promises he made during the campaign not only once but many times with respect to parity?

Mr. HILL. No; I say to my distinguished friend, the Senator from Oregon, that with all my love and loyalty to the people of Tennessee, I do not indulge myself in any such optimismeven in my fondest hopes—as to believe that the people of Tennessee will enjoy

such a preferred status.

Mr. President, consumers of TVA power have a right to fear that the study proposed would not be a study of the facts, but would be a study of how a series of arrangements like the Dixon-Yates proposal can be contrived to deny TVA power to all consumers living outside the watershed itself. A policy of shrinking TVA's service area and confining it to the customers living within the watershed and presently receiving service would not carry out the public policy established by the Congress in the TVA Act. The adoption of this new policy would mean dismemberment of the TVA system. It would be a prelude to destruction.

The President and the Bureau of the Budget may underestimate the dimensions of the problem they have assumed. Nashville is not in the Tennessee watershed, although it is a customer of TVA. Memphis is not in the Tennessee Valley itself. In Kentucky, only 10,000 of a total of 85,000 TVA power consumers live in the Tennessee Valley. In Mississippi, only 5,000 of the 138,000 consumers of TVA power live in the watershed; the rest—133,000—reside outside the area the Bureau of the Budget thinks Congress intended to favor. Alabama would be less drastically affected if such a revision of the TVA power service area were attempted by action of the Executive. 150,000 consumers in Alabama use power from the TVA system, and 125,000 live in the watershed; only 25,000, outside; but

in Tennessee, the State having the largest number of consumers—a total of 920,000-445,000 live in the watershed, and 475,000 live outside it. More than half of Tennessee's consumers are menaced by the study of the President and the Bureau of the Budget, if the implications of this memorandum are understood. In Georgia, where there are about 25.000 consumers of TVA power, half of them live out of the valley. As a matter of fact, it is only in North Carolina and Virginia, where very small areas are served, that the TVA power service area falls within the boundaries of the watershed.

The intent of the act creating TVA was clear. Power was to be made available to the communities which wanted to be served by TVA and were within transmission distance of a dam on the Tennessee River or one of its tributaries.

Mr. President, we hear much, these days, about partnership arrangement. The people of this area have a partnership arrangement with their Government. On the basis of that partnership and on the basis of their faith in the good faith of their Government, they have invested approximately \$400 million of their own funds in distribution systems and lines to make this partnership effective. They are asking the Government to keep faith with them in this partnership.

The preoccupation of the Bureau of the Budget with the watershed, as distinguished from the power service area, raises an interesting question. Indifferent apparently to the right of self-de-termination of the communities which voted to receive power from TVA, is the Bureau of the Budget likewise to be indifferent to the wishes of the communities in the watershed which did not vote to take power from TVA, and which are now customers of private utility companies? Most of the Tennessee watershed in Virginia and North Carolina is in the service area of private power companies. Are they threatened by the accident that their service area lies within the watershed, as municipalities and rural cooperatives receiving power from TVA, but located outside the watershed, are menaced by the novel "public policy" now suggested by the Bureau of the Budget?

One hundred and forty-eight publicly owned systems, having a total investment today of about \$400 million, have entered into long-term contracts with TVA for power service. There is nothing obscure about the history and the record. But the Bureau of the Budget, pooling its lack of knowledge with misinformation current in high places, now assumes that the TVA power system never was intended to go beyond the river basin, and that they must study ways to get it back within the boundaries they consider proper. They are saying to 475,000 customers who live in Tennessee, to 133,-000 customers who live in Mississippi, to 25,000 in Alabama, and 75,000 in Ken-"You are not to be considered eligible to receive power from TVA in the future. You qualified under the TVA Act; you made your investments; you entered into a contract with your Government in good faith; but your wishes

are to be ignored. You must become a customer of someone like Mr. Dixon and Mr. Yates, and AEC will take over the responsibility for arranging the contracts."

Mr. President, let us carefully consider this contract, and the admission that the Atomic Energy Commission was proceeding without authority, without power, to what would have been an illegal and unlawful contract. Let us contemplate that now the amendment of the Senator from Michigan would open wide the door-or, to use the expression used the other day by the Senator from Oregon [Mr. Morse], would in fact, remove the entire side of the house, to permit more and more and more such Dixon-Yates contracts, up to an extent of power 5 times as great as the amount involved in the Dixon-Yates proposal. Let us contemplate that prostitution of this most delicate and vital agency, this agency of the very greatest importance to the defense of the country and also to its peacetime economy. Let us contemplate the proposition not only of destruction of the integrity and independence of this agency, but also the invitation and the opening wide the door for the destruction of the independence and integrity of all other independent agencies. Let us also contemplate all the conditions of the contract, as brought out so brilliantly, as I have said, by the distinguished junior Senator from Tennessee [Mr. GORE]—that is to say, that-among other defects-there would be no competition; and, Mr. President, let me say that if there is anything the Senate and the House of Representatives have insisted upon, it is that wherever possible there shall be competition. However, in this case there is not only to be no competition, but the contract is proposed, and the proposal is written, for only one combine, namely, the Dixon-Yates private monopoly combine.

Mr. MORSE. Mr. President, will the Senator from Alabama yield at this point for a question?

The PRESIDING OFFICER (Mr. SAL-TONSTALL in the chair). Does the Senator from Alabama yield to the Senator from Oregon?

Mr. HILL. I yield to my friend, the Senator from Oregon.

Mr. MORSE. Does the Senator from Alabama agree with me that in using descriptive language for the bill and the contract that is encompassed by it, it probably would be more accurate to describe it as a stick of legislative dynamite destroying the people's interest in a sound public power program for the Nation, rather than to use the old figure of speech that was used the other day, when reference was made to closing the barn door after all the horses were

Mr. HILL. The Senator from Oregon is entirely correct; he could not be more correct. Let me say that no one has given more study and more thought to this subject, or has spoken with greater eloquence or more compellingly on the whole matter of our power policy, than has the Senator from Oregon.

Mr. President, when we consider all these things-the unusual situation and the unprecedented preference and favoritism-almost scandalous favoritism, in fact-provided in the tax portions of the Dixon-Yates proposal: when we think about the increased burden placed upon the taxpayers by means of the excess cost to them if the Dixon-Yates proposal is signed into a contract, then I say, Mr. President that not only can there be no justification, but there cannot be even the barest excuse for signing the contract, unless it is shown to be absolutely necessary in order to advance the atomic energy program. But I challenge the proponents of the Dixon-Yates proposal-either here in the Senate or otherwise-to show one iota of necessity or the slimest, barest excuse for the Dixon-Yates proposal as being necessary to the atomic energy program. In view of all these facts and the inequitous provisions of the contract. I challenge them to show that such a contract could, in any way, shape, fashion, or form, be to the best interests of the United States or of the people of the United States

Mr. LEHMAN. Mr. President, first I wish to compliment my distinguished colleague from Alabama for his masterly presentation of this highly important subject. He has rendered a distinct service to the Nation and to the world.

Mr. HILL. I thank the Senator. Mr. LEHMAN. Mr. President, I send to the desk and ask to have printed and lie on the table an amendment in the form of a complete substitute for S. 3690, the pending omnibus revision of the Atomic Energy Act.

The PRESIDING OFFICER. The amendment will be received, printed,

and will lie on the table.

Mr. LEHMAN. My proposal, President, is not an omnibus substitute. It does not undertake to strike down and completely rewrite present law. My bill gives full credit to the assurance of President Eisenhower in his message of February 17 of this year, that the present law, the McMahon Act, is still adequate to the Nation's needs.

My proposed substitute follows the recommendations of President Eisenhower in giving priority to certain revisions in present law designed to facilitate the exchange of atomic information, both on the military and on the peacetime uses of atomic energy, with foreign countries—chiefly our allies and friends. It also authorizes freer access to atomic information for our own citizens, private organizations, institutions, and enterprises.

My bill is primarily designed to meet the urgent need for fuller cooperation with our allies in the military sphere, and fuller cooperation with all friendly nations in the use of atomic energy for industrial, technological, and nonmilitary purposes.

This is an immediate need, attested to by President Eisenhower and by the Atomic Energy Commission. This is a need which should be met by legislation enacted at this session of Congress.

To meet this need, I propose a substitute which was drafted by the Atomic Energy Commission, approved by President Eisenhower, and submitted by him to the Congress in support of his special message of February 17. I feel that President Eisenhower's recommendations were sound, and that the amendment he submitted should be enacted. The text of that amendment is to be found on page 10804 of the Congressional Record of July 17, 1954.

I have ascertained from members of the Joint Committee on Atomic Energy that President Eisenhower's suggestions were not incorporated in the bill reported by the committee. On the contrary, the majority of the committee saw fit to approve provisions which, as far as I can see, go in exactly the opposite direction from that urged by the President.

We have had some debate, Mr. President, on provisions of the pending bill, the committee bill, tending to indicate that there is grave doubt—certainly many of us have such doubts—as to the wisdom of some of the complex and even obscure provisions of the bill dealing with the peacetime development of atomic energy in our own country. Many of these provisions have been described—I have so described them—as among the most radical, the most dangerous, the most repugnant to the public interest—of any provisions of any bill to come before us at this session.

In my judgment, Mr. President, the pending bill is a thinly disguised give-away bill, which will have the effect of forfeiting and giving away the public rights in a priceless public resource—atomic energy. The Government has spent \$12 billion to unlock the innermost secrets of the atom, and to harness the vast power which nature has placed in the atom.

The monetary value of these secrets cannot be estimated. They are worth billions and billions and billions of dollars. They belong to the whole American people. Indeed they should be shared with private enterprise. Indeed, the great private industrial genius of America should be invited to participate in the development of the undreamt potentialities of atomic energy. I cannot urge that too strongly.

But the Government of the United States has an inescapable obligation to safeguard the legitimate interest of the people in atomic energy-in its peacetime uses. The sharing with private enterprise must be undertaken with every essential safeguard of the public's rights. We cannot be too cautious in this regard. The Government must retain full control and full sovereignty over the peacetime use of atomic energy, just as the Government must retain full control and full sovereignty over our great systems of navigable waters, over the ether, and over the airspace above us. These belong to all the people. So does atomic energy belong to all the people.

I knew this is a complicated subject—far too complicated for me fully to comprehend in the time that has thus far been available for the study of the legislation before us. I am continuing to study it. Every day I am learning new things about it. I have scores of questions, and before I am through, I may have ten times that number—questions which must be answered before I dare to give my assent to the legislation

before us, or to any legislation dealing with this vast epoch-making subject.

I want all the expert advice and counsel I can get on this matter. I have every trust and confidence in the members of the Joint Committee, but it cannot yield my responsibility, as the representative of the Senate of the 15 million people of New York State, to any committee of the Congress. This bill may effect a revolution in the economic life of my State, and of many other States. This bill may result in the development of a monopoly over the source of atomic power that will dwarf any other monopoly in the concept of the mind.

I want to study the licensing provisions of this bill and the patent provisions. I will say, frankly, that I do not as of today even begin to understand all their implications.

So, Mr. President, I am not ready to vote on this bill. I will not be ready for some time to come, and I will not consent to it, if my consent is required.

But I do understand the international provisions of this bill, at least in part. What I understand I do not like, and what I do not understand I suspect.

This bill, in its international provisions, does not do what the President recommended. It does the contrary. It makes practically impossible, in my judgment, what the President recommended as urgently necessary. It places new restrictions on the exchange of atomic information with our allies. Its provisions dealing with the establishment of an international atomic pool, as recommended by President Eisenhower, are mere widow dressing, and are directly frustrated by other provisions in this measure.

The bill seems to give authority with one hand while it takes away with another.

The bill does nothing more or less than apply the principle of the Bricker amendment to the negotiation of agreements and the making of arrangements on atomic energy.

The requirement is written into the bill for the submission of any agreement on this subject, no matter how detailed or how insignificant to the Congress. Here in this bill is plainly written and expressed a mistrust of the President of the United States. In the bill it is proposed to tie the hands of the President in the conduct of the foreign relations of our country in regard to atomic energy.

In the bill we go to the length of requiring the President to obtain the approval—not the advice or counsel, but the approval—of the Department of Defense in some instances and of the Atomic Energy Commission in others for the negotiation of international arrangements and agreements in the atomicenergy field.

Is not the President the head of the Defense Department? Is he not the Commander in Chief of the Armed Forces? Is he not the Chief Officer of the United States with regard to the conduct of our foreign relations? Then why do we give to the Defense Department and to the Atomic Energy Commission statutory veto power over his

Mr. President, if the President of the United States negotiates a treaty in the atomic energy field, he will have to submit that treaty to the Senate. If he negotiates an executive agreement of substance, he will have to come to Congress to have it implemented. There is no need, in connection with this bill, to debate the Bricker amendment all over again. We disposed of that, or so I thought.

What did President Eisenhower himself have to say on this subject in his special message of February 17? He said:

Our own security will increase as our allies gain information concerning the use of and the defense against atomic weapons.

He was referring, of course, to the proposal embodied in the substitute which I have just sent to the desk, for the grant of authority to exchange certain military information in the atomic field with our allies,

Mr. President, I wish to prick a little balloon which has been floating around in the public press for the last several weeks. I am referring to the allegation that the bill is designed to carry out the President's dramatic proposal before the United Nations last year for the creation of an international pool of atomic material and atomic information, for peaceful, industrial, and technological uses.

The committee bill does no such thing. Nor, Mr. President—and I hope my colleagues will listen carefully to what I have to say, because there is apparently a widely prevalent misapprehension on this point—did President Eisenhower desire, recommend, or expect that this bill would implement his proposal for the establishment of an atomic pool.

The President said in his message of February 17:

These recommendations are apart from my proposal to seek a new basis for international cooperation in the field of atomic energy as outlined in my address before the General Assembly of the United Nations last December. Consideration of additional legislation which may be needed to implement that proposal should await the development of areas of agreement as a result of our discussions with other nations.

I am deeply perturbed over the allegation that the pending bill implements the President's proposals for an international atomic pool for peacetime uses. I am firmly convince that the proposed bill would do just the opposite.

I believe that the bill now pending would seriously hamper the President and the Secretary of State in their current negotiations looking toward the creation of any international pool, and I believe that the stringent requirements for working out international agreements, especially the requirements contained in sections 123 and 124, would make such a concept as an international pool in which the Soviet Union would participate utterly impossible.

The President clearly indicated to the Congress in his message of February 17, that congressional consideration of legislation which might be needed to implement his atomic-pool proposal should "await the development of areas of agreement as a result of our discussion with other nations."

As far as I know he has made no further recommendations on this subject, and still is of the opinion that any legislative action on this front should await the conclusion of exploratory talks between this Government and governments of other nations.

The Senator from Rhode Island [Mr. PASTORE], in his statement of separate views attached to the report on S. 3690, has indicated serious question over the bill's provisions covering international cooperation. Representatives Holifield and PRICE have indicated further reser-

Representatives Holifield and Price state that "section 124 appears to us a premature attempt to legislate in a delicate field where international diplomatic negotiations are pending." I agree with that view.

Mr. President, I believe-and I am sure many of my colleagues will agreethat it is essential that we pass some legislation on the subject of international cooperation in the atomic field.

Here is a bill everybody can support. It is the one recommended by the President, and drafted by the Atomic Energy

Commission. Let us approve it.

As for the other provisions of the pending bill, dealing with licenses, patents, and many other complex phases of the unexplored field of commercial development of atomic energy, let us have time to study the provisions of this bill. Let the experts in this field study it. Let the public interest groups study Then let us take time, early in the next session, for such extensive debates as will be required, and move on now to the other essential legislation which must and should be enacted before we adjourn.

We must not be stampeded into hasty action. We must not let the desire to adjourn betray us into approving that which is best left for calm, sober, and careful evaluation. I ask unanimous consent that the text of my substitute amendment be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. SAL-TONSTALL in the chair). Without objection it is so ordered, and the amendment will be received and printed, and will lie

on the table.

The amendment submitted by Mr. LEHMAN is as follows:

On page 1 strike all after the enactment

clause and insert the following:
"SEC. 2. Section 5 (a) (3) (C) of the
Atomic Energy Act of 1946, as amended, is amended to read as follows:

"'(3) Prohibition: It shall be unlawful for any person to * * *.

"'(C) directly or indirectly engage in the production of any fissionable material outside of the United States, except that the President may authorize the Commission, in accordance with such conditions as he may prescribe for the protection of the comdefense and security of the United States to grant exceptions to this clause

(C).'
"SEC. 3. Section 5 (d) (1) of the Atomic Energy Act of 1946, as amended, is amended

to read as follows:

"'(d) General provisions: The Commission shall not-

'(1) distribute any fissionable material

"'(A) any person for a use which is not under or within the jurisdiction of the United States;

(B) any foreign government, except that notwithstanding any limitation of any pro-vision of this section the President may authorize the Commission, in accordance with such conditions as he may prescribe for the protection of the common defense and security of the United States, to enter into direct arrangements with the governments of other nations involving the distribution of fissionable material to such governments for research or industrial use: Provided, That no fissionable material shall be distributed to any foreign government except upon receipt of assurances from the recipient government that such material will be used only for research or industrial purposes and will not be used for weapons or other military purposes; or

"'(C) any person within the United States if, in the opinion of the Commission, the distribution of such fissionable material to such person would be inimical to the com-

mon defense and security.'

"SEC. 4. Section 10 (a) of the Atomic Energy Act of 1946, as amended, is amended to read as follows:

(a) Policy: It shall be the policy of the Commission to control the dissemination of restricted data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

(1) That until Congress declares by joint resolution that effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established, there shall be no exchange of restricted data with other nations, except that the President may authorize the Commission, in accordance with such conditions as he may prescribe for the protection of the common defense and security of the United States, to enter into arrangements involving the communication to other nations of-

"'(A) restricted data necessary to assist other nations in the development of industrial applications of atomic energy for peace-

ful purposes;

(B) restricted data necessary to assist nations which are participating with the United States in the defense of the free world, including regional defense organizations such as the North Atlantic Treaty Organization, in the development of defense plans, the training of personnel in the employment of and defense against atomic weapons, and the evaluation of the capabilities of potential enemies in the employment of atomic weapons; and

"' (C) restricted data on refining, purification, and subsequent treatment of source materials; reactor development; production of fissionable materials: health and safety: and research and development relating to

the foregoing.

"'(2) That the dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticisms which is essential to scientific progress.'

"SEC. 5. Section 10 (b) (1) of the Atomic Energy Act of 1946, as amended, is amended

to read as follows:

"'(1) The term "restricted data" as used in this section means all data concerning the theory, design, and manufacture of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security: Provided, That in the case of data which the Commission and the Department of Defense jointly determine to relate primarily to the military utilization of atomic weapons the determination that

the data may be published without adversely affecting the common defense and security shall be made by the Commission and the Department of Defense jointly: Provided further, That the Commission shall remove from the restricted data category such data as the Commission and the Department of Defense jointly determine to relate primarily to the military utilization of atomic weapons and which the Commission and the Department of Defense jointly determine can be adequately safeguarded, as classified defense information, under other applicable statutes. Action by the Commission pursuant to the preceding proviso shall not be regarded as excluding the applicability of any other laws, including sections 793 and 794 of title 18 of the United States Code.'

"SEC. 6. Section 10 (b) (5) (B) of the Atomic Energy Act of 1946, as amended, is amended by adding the following subsection:

(viii) The Commission shall determine the scope and extent of personnel security investigations to be made for the Commission by the Federal Bureau of Investigation or the Civil Service Commission on the basis of the nature and significance of the access to restricted data which will be permitted: Provided, That nothing in this act shall be construed as limiting the authority of the Commission to authorize any contractor, prospective contractor, licensee, or prospective licensee of the Commission to permit any employee of an agency of the Department of Defense or of its contractors or any member of the Armed Forces to have access to restricted data required in the performance of his duties where the head of the appropriate agency of the Department of Defense or his designee has determined. in accordance with the established personnel security procedures and standards of such agency, that permitting the member or employee to have access to such restricted data will not endanger the common defense and security.'

Mr. LEHMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER SALTONSTALL in the chair). The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LEHMAN. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF OFFICERS OF THE REGULAR NAVY AND MA-RINE CORPS-CONFERENCE RE-PORT

Mr. SALTONSTALL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6725) to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6725) to reenact the authority for the appointment of certain officers of the Reg-ular Navy and Marine Corps, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its amendments numbered 1 and 2.

> LEVERETT SALTONSTALL. FRANCIS CASE, JAMES H. DUFF, JOHN C. STENNIS, Managers on the Part of the Senate.

L. C. ARENDS. PAUL W. SHAFER, LEROY JOHNSON, JAMES E. VAN ZANDT. CARL VINSON, PAUL J. KILDAY, L. MENDEL RIVERS. Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate

proceeded to consider the report.

Mr. SALTONSTALL. Mr. President, the House and the Senate conferees met in full and complete discussion of the Senate amendments to H. R. 6725, which were offered on the floor of the Senate by the Senator from Colorado [Mr. John-SON].

The purpose of the amendments was to confer on the Board for the Correction of Naval Records authority to review the cases of officers of the Navy who were passed over during the wartime selection system by panels, as contrasted with selection boards.

The Senate amendments would also have provided special relief to two naval officers, a Commander Rawlins and a Commander Shanahan.

The House conferees remained adamant, and the Senate conferees were as unable to prevail with any compromise language as they were to insist upon the original language.

It was agreed, however, by all conferees that the original purpose of H. R. 6725 was completely sound, and that a grave injustice would be done to several hundred Reserve officers of the Marine Corps and of the Navy if the bill failed of enactment.

For the reasons which I have stated. therefore, the Senate conferees receded from their amendments and agreed to

the bill as it passed the House.

I may say, in addition that, not only the Senate conferees, but also the House conferees, were sympathetic to the fact that the present Chief of Naval Operations felt an injustice had been done in the two cases mentioned and that private bills, if they were introduced, would be considered at the next session of the Congress by the respective committees in the Senate and the House.

I hope the report will be accepted. It was unanimously agreed to by the con-

ferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic other purposes.

Mr. JOHNSTON of South Carolina. Mr. President

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I rise to suggest some safeguards of the public interest in electric power which I feel should be incorporated into the bill before the Senate (S. 3690) before its passage. I also desire to call to the attention of the Senate the relationship of the electric power provisions of this atomic bill and other efforts to weaken and destroy the Federal power policy which has been worked

out over many years.

Mr. President, any bill on atomic energy which passes this Congress should protect the more than \$11 billion which the American people have invested in the atomic energy program. Our people through their Government have made this huge investment to harness the atom for defense and now for peacetime use. I am in favor of the civilian use of atomic energy for power development, but I think it is essential that any amendments of the Atomic Energy Act continue the present protection of the public interest and insure that the benefits of the Government's atomic development program will be available to all the people. Above all we cannot permit a monopoly to be built by the few giant utility and industrial companies which have the financial and technical resources at this time.

Mr. President, this bill fails to contain adequate provisions to insure that the Atomic Energy Commission will not overstep the bounds of its intended functions. We now have one example of the AEC's overstepping its limits to contract for power from private utilities which the AEC will not use. We see the AEC being used to run interference for the private utilities in their efforts to divide and destroy the Tennessee Valley Authority.

In the McMahon Act, as amended, the Commission was given authority to contract for power for use at the Oak Ridge, Paducah, and Portsmouth AEC installations. It was not given blanket authority to contract for power to be used by other parties. In spite of the intent of the previous legislation and over the objection of the majority of the Commission, the AEC is being forced by the administration to make just such a contract.

The plan would have the AEC become a power broker, to buy power which it does not need, which would be used several hundred miles from any of the three sites authorized in the act.

The hearings before the Joint Committee on Atomic Energy indicate the views of Commissioners Smyth and Zuckert, "that the present proposal would create a situation whereby the AEC would be contracting for power not one kilowatt of which would be used in connection with the Commission's production activities."

Not only would the intent of the law be circumscribed by this contract, but the taxpayers would be charged with a

Energy Act of 1946, as amended, and for minimum of \$90 million more than the same power can be produced for the AEC by the TVA.

Mr. President, I should like to read an editorial which appeared in my hometown newspaper with reference to this subject. The editorial comes from the Anderson Independent of June 27, 1954, from which I read:

AS A TAXPAYER, YOU'VE BEEN ORDERED BY IKE TO BUILD A POWERPLANT FOR A FEW TYCOONS

A private power syndicate, composed of a few tycoons, wants to build a new \$107 million powerplant near Memphis, Tenn. This group is known as the Dixon-Yates syndi-

Ironically enough, although operating under the banner of "private enterprise," these individuals do not wish to risk their own money on the project. They want the Federal taxpayers to foot the bill.

This group went to Washington. They

said they wanted:

1. To use the Government's credit to build the plant. To secure an expensive contract with

the Atomic Energy Commission to pay off the bonds. Then, of course, within the next few years

they would own the plant outright and reap rich profits from a project built with your tax dollars. You get nothing for the use of your money.

What happened when this bold request was laid before the powers that be?

President Eisenhower ordered that it be done at once, and he issued the ukase in the sacred name of "free enterprise." We assume that in this case this means that these fellows are to get for free a powerplant, thanks to a little political enterprise.

This kind of thing—dipping into the Public Treasury to line the pockets of a favored few-is common during Republican regimes, but it must come as a shock to the disciplery to find the great moral crusader the leading light in a deal that would make the old Teapot Dome gang turn green with envy at the legal finesse.

The AEC doesn't need the power from the proposed plant. AEC has an excellent and economical contract with TVA, which was built with public funds and which still belongs to the people of the United States.

This scheme can be regarded as the first step in the plan to make TVA ripe for future "giveaway" to a few individuals at a few to a few individuals at a few

cents on the dollar.

From the standpoint of the Dixon-Yates syndicate, the present scheme makes Santa Claus look like Scrooge. They expect to put up equity capital of 5 percent of total of the plant, something like \$5,850,000. Ordinarily, private utility financing calls for 40 percent equity capital, in this case about \$46,800,000, and 60 percent bonds.

But with Ike giving them a 25-year contract with AEC, the Dixon-Yates outfit will get by with 5 percent equity capital and 95 percent in money borrowed on Government credit.

Now for the kicker: The contract with Dixon-Yates will cost the AEC (and thus the taxpayers) \$3,600,000 a year more than the TVA contract. This will amount to more than \$90 million over the 25-year period.

By the way, there is a little proviso that the contract can be extended for two 5-year periods, which makes the total time 35 years, instead of 25 years.

I continue to read:

What is more, it will represent a contribu-tion by the taxpayers to Dixon-Yates, thus handing this private group a \$107 million installation for, at most, only \$17 million.

An effort will be made by conscientious Congressmen to block the President's order. As Representative Holifield puts it, the plan calls for a free ride for the utilities at the end of which the private utilities will own the automobile paid for by the taxpayers.

This is the great moral crusade the Re-

publican Party is giving the United States.

This is from the Anderson Independent, a great newspaper of South Caroline, which always keeps the people informed of what is going on.

This additional cost to the people might run as high as \$140 million over the 25-year life of the contract. The AEC admits the cost will be as much as \$90 million while the TVA thinks it will be nearer \$140 million. The administration is pledged to a government of economy but this looks like the people will pay to improve the economic status of the private utilities.

Mr. President, it is shocking that an independent commission set up by the Congress to administer the atomic energy program can be made to ignore its own judgment. It is the body best informed on the subject, and it is most unfortunate that the reasoned conclusions of this body should be laid aside at the desire of the administration.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I vield to the Senator from Illinois.

Mr. DOUGLAS. Is the Senator from Illinois correct in his understanding that the discretionary power of the President in relation to atomic matters is primarily, indeed almost exclusively, confined to decisions as to types of weapons, distribution of information to allies, and so forth, but that he does not have the power to dictate the day-to-day policies of the Atomic Energy Commission in relationship to the details of its operation?

Mr. JOHNSTON of South Carolina. In answer to the Senator from Illinois, I may say that I had always thought, up until this particular question arose, that it was left to the President of the United States, as Commander in Chief, to protect the country, so far as defense was concerned, and that he could act on matters affecting it.

But, as the Atomic Energy Commission is an independent agency, and, as I had always thought, a nonpolitical agency, it has a free hand to do what it thinks best in the development of atomic energy, not only for the purposes of defense, but also for the good of the

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question? Mr. JOHNSTON of South Carolina.

I yield.

Mr. DOUGLAS. The question before the Senate has nothing whatsoever to do with the national defense or with the preparation of weapons; it is simply a question of whether or not the Memphis area should be primarily served by TVA power or by private power. Is not that correct?

Mr. JOHNSTON of South Carolina. When the situation is boiled down to its last analysis, I think that is true. It does not in any way affect our national defense.

Mr. DOUGLAS. Really the question is of no concern to the Atomic Energy Commission is it?

Mr. JOHNSTON of South Carolina. Not at all. I do not think the Atomic Energy Commission is trained to do the type of work which it will be called upon to do in this particular field.

Mr. DOUGLAS. So this would be the use of a governmental body for a purpose which was never desired by the

Commission.

Mr. JOHNSTON of South Carolina. That is true. It was not created to perform any function like this. Its func-tion was to develop atomic energy mostly for the national defense when it was first brought into existence.

Mr. DOUGLAS. Is not the fact that the terms of the members of the Commission overlap a fairly good indication of the fact that it was the intention of Congress to create a nonpolitical Commission?

Mr. JOHNSTON of South Carolina. There is no doubt whatsoever in my mind that that was the intention of Congress when it created the Atomic Energy Commission.

Mr. DOUGLAS. The Atomic Energy Commission was not intended to be like one of the executive departments of the Government, and to be under the direct control of the President, was it?

Mr. JOHNSTON of South Carolina. That is true. It was established as an independent agency, and not as an administrative office under the President.

Mr. DOUGLAS. If a similar order in connection with another matter had been issued to a quasi-judicial body, such as the Federal Trade Commission, it would have been regarded as an infringement upon that Commission's jurisdiction, would it not?

Mr. JOHNSTON of South Carolina. In my opinion, it would clearly have been decided so; and similarly in the case of the Federal Power Commission or the Interstate Commerce Commission. All the commissions are in the same category.

Mr. DOUGLAS. In other words, regulatory and quasi-judicial bodies are not intended to be under the administrative control of the President, are they?

Mr. JOHNSTON of South Carolina. No; they are supposed to be independent agencies, designed to act upon matters coming before them as they consider right and just from a legal standpoint and, at the same time, from a standpoint of equity.

Mr. DOUGLAS. Is my memory correct that this question really was decided by the Supreme Court of the United States in the so-called Humphrey case. in an early administration of President Franklin D. Roosevelt, who removed Commissioner William Humphrey from the Federal Trade Commission, and the Supreme Court ruled that because the Federal Trade Commission was a quasijudicial body, the President had no power of removal?

Mr. JOHNSTON of South Carolina. I am familiar with that case; and it happens that I am probably a little more familiar with it than are some of my fellow Senators, because one of my friends in the Interstate Commerce Commission has been threatened in recent days with being ousted. I had occasion, then, to go back and read those cases,

and I read the Humphrey case. In the Humphrey case the decision of the Supreme Court was that the Federal Trade Commission was an independent agency; and because it was an independent agency, the Commissioners were appointed for specified terms of office, and the President could not remove them without cause until they had finished their terms of office.

Mr. DOUGLAS. The Humphrey case was differentiated sharply from the case involving the postmaster in Portland, Oreg., who was removed by President Wilson. That removal was judged to be proper because he was held to be an administrative official, directly under one of the department heads under the President.

Mr. JOHNSTON of South Carolina. That is true. He was directly under one of the Cabinet officers. That being so, the President could remove him.

Mr. DOUGLAS. I take it the argument which the very able Senator from South Carolina is making is that the President exceeded his constitutional powers when he caused one of his administrative assistants to tell the Atomic Energy Commission that they should consummate the Dixon-Yates contract.

Mr. JOHNSTON of South Carolina. think he was exceeding his rights as President when he told the Commission what to do.

Mr. President, I wish to repeat a statement I have made, because this is the way I feel about it. It is shocking that an independent commission created by the Congress to administer the atomic energy program can be made to ignore its own judgment by the President of the United States. It is the body best informed on the subject, and it is most unfortunate that the reasoned conclusions of this body should be laid aside at the desire of the administration.

As the Anderson Independent, a newspaper of my State, said in an editorial June 19, 1954:

Special interests are in the saddle, riding hell for leather to gouge the American people of their natural heritage and property built with their tax money. Is this the moral crusade we were promised by "King Ike and his knights of the spoils table"?

Mr. President, I consider it essential that this bill not pass until a provision is added to insure that the AEC can contract for power only for its own needs.

Even with that addition, the bill would need many other major improvements to make it acceptable. The bill does not contain a preference provision with regard to municipal, cooperative, or other nonprofit public bodies, which has been the established policy within the last 50

The present bill and the McMahon Act both contemplate the availability of byproduct power which may be created in the production of fissionable material. They provide that such energy may be used by the Commission, transferred to other Government agencies, or sold to public or private utilities.

Our Federal policy has long recognized that cooperatives and public bodies should be given preference in the sale of electric power from projects involving the development of irrigation, water conservation, flood control, and navigation improvement. This policy was embodied in the Federal Water Power Act of 1920 and the Federal Power Act of 1935. The principles were continued in the Boulder Dam Act of 1928, the Tennessee Valley Authority Act of 1933, the Bonneville Act of 1937, the Flood Control Act of 1944, and most recently in the Falcon Dam bill passed a few months ago.

The purpose of the preference policy is to insure that the benefits of public resources go to the people and not just to private profit interests. The Atomic Energy bill before this body should continue this well-established policy. The people own the atomic energy developments which have been achieved with their money, just as the people own the rivers of our land. When there is byproduct power from AEC installations, the benefits should be passed on to the consumer, and the only way to do it is to make the power available first to the consumer-owned utilities which will pass on the benefits.

Such preference for cooperative and public bodies should also be provided in the law with regard to obtaining nuclear materials and obtaining licenses for nuclear powerplants. That would be comparable to present statutes giving preference in the development of hydroelectric sites. The nuclear materials are a public resource, and would remain so under the proposed amendments. It is only fair to give preference to public bodies to that which is paid for by the

taxpayers. Preference for public bodies and cooperatives is not only based on fairness, but it is founded on the experience that this is the only effective way to combat monopoly rates and to provide a low-cost yardstick to show what electricity should cost. Electric utilities by their nature are monopolistic. We cannot have a multitude of electric companies serving the same area, and the individual consumer cannot choose between various competing utilities on the basis of their rates and service. The only way we have succeeded in introducing the important American element of competition into electric service is by having a small percentage of public power, which has exercised on rates a

tion to its comparative size.

Mr. President, I have outlined how the bill fails to take into account the preference principle which has evolved in our Federal power policy over the last half century. I should like now to indicate some other ways in which the bill, which is really a power bill, disregards past experience. The bill as reported is deficient in its failure to provide adequate safeguards to protect the public interest in the licensing of non-Federal agencies to produce and sell atomic power.

downward influence out of all propor-

Among the safeguards which have been included in the Federal Power Act, but are not included in this bill, are—

First. Safeguards for the prior right of Federal development of the resource in any specific case where this will best serve the public interest. Second. Safeguards for the right to public hearings in connection with applications, with specific provision for the admission as parties of interested States, State commissions, municipalities, representatives of interested consumers, or competitors.

Third. Safeguards for the right of Federal or other public recapture of any development by a private licensee at the end of the license period, on payment of no more than the licensee's net investment in the project.

Fourth. Safeguards for reasonable rates to consumers by a provision requiring licensees as a condition of any license to agree to Federal regulation where States have provided no regulation of electric rates; and with a further provision that in any rate proceeding the licensee can claim for rate base purposes no more than the net investment in the development.

Mr. President, when we consider that six States have not set up any State agency to regulate the rates charged by electric utilities, then we can clearly see the need for providing for such protection before the bill is passed.

I certainly am in favor of private power, but we need safeguards to prevent the private capitalization of values inherent in the right to use a public resource. The private developers of atomic power should receive what is necessary to assure them the funds required for development, but the public are also entitled to receive the full value of their resources.

Mr. President, in this bill I cannot find any assurance that private patents could not be obtained on developments occurring as a result of research financed by the Federal Government. The principle of rewarding inventive genius with a patent is well founded, and can be justified where it does not produce uncontrollable monopoly. However, I believe the proposed amendments even would make it possible for a private patent to be obtained retroactively on developments denied patents under the present law.

The amendments would give the Atomic Energy Commission optional authority to declare a patent affected with the public interest, and to make it available, under a patent license, to interested parties, upon payment of reasonable royalty fees. In order to make certain that patents which "affect the public interest" are so declared, it seems necessary to make such a finding mandatory if certain conditions are met. This is a provision of the McMahon Act which should be continued.

Mr. President, before this bill passes, it should be amended so as to prevent the AEC from being used to damage the TVA; to provide preference for public and cooperative bodies in buying by-product power, in obtaining nuclear materials, and in the granting of licenses for nuclear powerplants; to incorporate the other safeguards of the Federal Power Act; and to prevent monopolization through patents.

Mr. President, I was very much pleased to read the majority report and the separate views on the bill, as submitted from the Joint Committee on Atomic Energy. I should like to indicate how important the minority of the committee think this bill is. I read now from the first page of the minority views of Representative HOLIFIELD and Representative PRICE:

The atomic-energy bill is one of the most important bills before the Congress.

Note that, Mr. President—"one of the most important bills before the Congress."

It proposes to chart the future course of peacetime atomic-energy development. So deep and farreaching is its potential impact on the American economy and upon our position in world affairs that we consider it necessary to set forth our own views and reservations concerning the bill.

As members of the Joint Committee on Atomic Energy we have endeavored always to act in a spirit of nonpartisanship. The duties and responsibilities committed to the jurisdiction of our committee are too directly concerned with the Nation's security and welfare to allow the play of partisan politics. In the same objective way we have tried to approach this legislation.

During the course of the committee hearings and conferences, we have presented what we believed were constructive proposals for improving the bill. Some were accepted in whole or in part and others rejected. Among the committee members there were, and presumably still are, many differences of opinion and interpretation regarding particular provisions of the bill. We respect those differences, and although we were willing to have the bill reported out for floor debate, the public importance of this measure compels us to recount here what we consider still its major defects.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I

Mr. DOUGLAS. As I remember, the minority views were signed by Representative Holifield, of California, and my good friend and colleague, Representative Price, of Illinois.

Mr. JOHNSTON of South Carolina. That is true.

Mr. DOUGLAS. They are two of the ablest and finest Members of the other House. Does not the Senator from South Carolina agree that their views deserve very serious consideration?

Mr. JOHNSTON of South Carolina. I think if anyone follows the hearings and reads the questions which they asked and the interpretations they placed upon the evidence coming before them, he would have to agree with the Senator from Illinois that those two men are the most learned in the field of atomic energy that we have in the Congress today.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. JOHNSTON of South Carolina. I vield.

Mr. DOUGLAS. Is it not a fact that while people talk vaguely about the tremendous power which is latent within atomic energy, they do not fully appreciate its enormous possibilities? For example, the theory of atomic energy arises from one of Einstein's two fundamental equations, namely, that energy is equal to mass multiplied by the square of the velocity of light; and since the velocity of light is approximately 186,-000 miles a second, if we square that we

reach a figure just short of 40 billion, which means that the potential of that power can be stepped up potentially 40 billion times, or close to it.

Mr. JOHNSTON of South Carolina.

Under that formula, that is true.

Mr. DOUGLAS. It is undoubtedly true that the full possibilities of the Einstein formula have not been realized. Nevertheless, it is also apparent from the newspaper comments which have been made that we are approaching them ever more closely. Therefore the industrial, as well as the military possibilities of atomic energy are enormous.

Does not the Senator from South Carolina therefore feel that a thorough consideration of this subject by the entire membership of the Senate is very appropriate? We are dealing not merely with a powerful military weapon, but with something which may revolutionize industry and the manner of life, not only of this country, but of the entire world.

Mr. JOHNSTON of South Carolina. I do not think any of us today can conceive how vast the possibilities in that field are. I know I cannot. I am not a scientist. I know that there are very few learned scientists in the Congress at the present time. However, we are aware that marvelous things have happened in the past few years. We can judge the future only by the past. If that is a reliable yardstick by which to measure, we must acknowledge that we have no idea how vast the atomicenergy field will prove to be in the near future.

Mr. DOUGLAS. Is it not true that the people of the United States have a tremendous stake in the development of atomic power? They have already invested \$12 billion in the enterprise.

Mr. JOHNSTON of South Carolina. They have invested in that field between \$11 billion and \$12 billion. The investment having been made by the people of the United States, of course, it belongs to the people of the United States, and not to any one corporation or group of individuals.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. JOHNSTON of South Carolina. I

Mr. DOUGLAS. Is it not true that while this investment has been primarily made for the sake of greater military security, there has always been the hope in the minds of people that these great powers could be used for human advancement, for peacetime purposes, and that this hope has assuaged, so to speak, some of the doubts which men and women might otherwise have had about the program?

Mr. JOHNSTON of South Carolina. I do not like to think that the only purpose of the potentialities in the field of atomic energy is to furnish weapons for destruction. I like to believe that there are just as great possibilities in the field of industry and helping the peoples of the world as there are in the military field, where atomic energy is used as a destructive element.

Mr. DOUGLAS. Even though we are in the very infancy of the peacetime uses of atomic power, is it not true that it has already demonstrated its value as a tracer in diagnosing diseases, in irradiation to preserve foods by killing bacteria, in the potential development of energy, and in a series of other possibilities as well?

Mr. JOHNSTON of South Carolina. That is true.

Mr. DOUGLAS. So all of industry may ultimately be revolutionized by the possibilities flowing from atomic energy.

Mr. JOHNSTON of South Carolina. That is true. For that reason I do not believe that we should attempt to go into a subject so vast near the close of the session. The great potentialities of atomic power should be the subject of discussion and debate, so that the public as well as Members of Congress, may know what is going on. Many persons who are not Members of Congress could probably throw a great deal of light on this subject if we only had time to go into it. But if we rush through the consideration of such an important measure, as we are doing at the present time, near the close of the session, I fear we may do something which we may regret in the future.

Mr. DOUGLAS. Therefore the Senator from South Carolina thinks it is very important to discuss such matters as who shall develop the power, under what conditions, what control over the material sold or leased shall be exercised by governmental authority, what the patent provisions are to be, whether there are to be any preference clauses, what provision there should be concerning the exchange of information between nations. and many other subjects. These are highly appropriate subjects, upon which full discussion is needed. It is not enough for Congress to be composed merely of "yes" men, whose only function is to ratify whatever is submitted to them on the floor.

Mr. JOHNSTON of South Carolina. I do not want a Commission to go into a field that will probably consume its time and energy, with the result that, instead of developing the field it should be developing, it will be attending to the running of an electric powerplant. That is the situation we are facing at the present time.

Mr. DOUGLAS. In other words, the Senator from South Carolina feels the task of the Atomic Energy Commission is so important that it should not be asked to take in washing for Dixon-Yates. Is that correct?

Mr. JOHNSTON of South Carolina. That is putting it right down on the line. I do not believe we ought to be asked to take in washing for Dixon-Yates at this time when a great many people have a fear as to whether we are developing our atomic-energy program as fast as Russia is developing hers. Has the Senator heard anyone discuss that point?

Mr. DOUGLAS. Oh, yes. Mr. JOHNSTON of South Carolina. I think that is more important than whether the Atomic Energy Commission shall be the selling agent for TVA. We could probably set up a little commission to do that, but I do not believe we want to do it, for the reason that such a commission would not be popular. Right now the Atomic Energy Commission, having gone into the field of atomic energy, in developing the atomic bomb and the hydrogen bomb, the people are looking to the Commission as their saviour. It is one of our defense agencies. and we do not want it to do work for which it is not fitted at all.

Mr. DOUGLAS. I wish to congratulate the Senator from South Carolina

for his able speech.

Mr. JOHNSTON of South Carolina. I certainly thank the Senator from Illinois for what he has lent to my discussion. He always brings something worthwhile.

Mr. President, I would not be so gravely concerned about this atomic power bill, or about other power legislation which has been or will be before the Congress, unless I thought they were all part of an organized campaign to destroy the effectiveness of our Federal power policy.

In my opinion, our Federal power policy has proved too important a key to the economic expansion of the South and other sections of the country for us to allow such a campaign to succeed.

The people of my region understand the importance of maintaining an alternative to monopoly in the vital field of electric power. They know the part which the Federal power program, in all its aspects, has played in ending the time when the South could be referred to as economic problem number 1. They do not look with favor on any action of Congress or the present administration which tends to restore private power to a position of monopoly.

Mr. DOUGLAS. Mr. President, will

the Senator yield?

Mr. JOHNSTON of South Carolina. I vield.

Mr. DOUGLAS. Although it may have been said 20 years ago that the South was the No. 1 economic problem of the country, is it not true that under the developments of the past 20 years, in which the Government has played some part, the South has made tremendous progress; and is it not also true that the whole Nation rejoices in that progress?

Mr. JOHNSTON of South Carolina. am glad to hear the Senator from Illinois say that. I know he felt that way even before he spoke. In the past 20 years the South has progressed more than it did in the hundred years before that. There is no question about that in my mind.

Mr. DOUGLAS. Mr. President, will

the Senator yield further?

Mr. JOHNSTON of South Carolina. To show the difference, in the field of electricity, in 1932 only about 4 percent of the farm homes in South Carolina were electrified. Today approximately 90 percent of the farm homes in South Carolina are electrified.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JOHNSTON of South Carolina. I vield.

Mr. DOUGLAS. In view of the great progress the South has made in the period from 1933 to 1952, is it not a shame that certain southern leaders forgot whence this progress had come and deserted the home of their fathers?

Mr. JOHNSTON of South Carolina. Of course, that is true. I was about to quote Will Rogers on that. He was talking to a friend and he said to him, "I hear you have gotten rich."

The friend said, "Oh, no; I haven't

gotten so rich."

Will said, "Well, I understand you have made several million dollars."

His friend said. "Oh. no: I don't know

about that."

'Well," Will said, "I understand that you have made enough money to change from a Democrat to a Republican." [Laughter.]

Mr. DOUGLAS. Mr. President. will

the Senator yield?

Mr. JOHNSTON of South Carolina.

I yield.

Mr. DOUGLAS. Does the Senator from South Carolina have an estimate as to what the critical point is under which such changes take place?

Mr. JOHNSTON of South Carolina. I do not know, but I have seen them take place in several instances. Of course a different yardstick is needed for differ-

ent people.

Mr. President, the Federal power program of the last 47 years has benefited us in many lines of activity. It has been flexible and adaptable to the needs and desires of every region. It has also been a worthwhile force in breaking down the restraints of monopoly price fixing on the widespread use of electricity in the homes, on the farms, and in the building of industry and employment.

While this program was establishing the Tennessee Valley Authority in the great river basin to the west of us, it was forming the basis for the local authorities providing power supply for municipal and rural electric cooperatives in my State of South Carolina. I shall have something further to say about this later

in my remarks.

Here I shall only point out that the future demand on such systems as those of the South Carolina Public Service Authority, a State agency, and the Greenwood County Electric Power Commission, can be met only if the Federal programs for development of our river basins continues, and if these bodies have access to atomic-power developments.

I need not remind my colleagues that the Rural Electrification Administration has played an important part in the economic progress of the South. Today. in the States of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Tennessee, and Kentucky, there are 229 rural electric cooperatives serving more than 1,300,000 farm families and rural establishments. means rising standards of living and more profitable farm operation.

This is sound business from the point of view of the Government. The investment is repaid over and over again, not only in the repayment of Government loans, but also in the improvement in the region's ability to pay taxes of all

kinds.

The progress of the South during the last 20 years, Mr. President, will continue. But a vital factor in the ability of the South to increase its contribution to the Nation will be the continuation of the Federal power programs and a dy-

namic rural electrification program. This requires a halt to the efforts by this administration to comply with the restrictive demands of private power monopoly.

In saying this, I do not want to reflect on the region-building efforts of the private power companies which serve the South. But I do want to point out that they have gained their places among the more progressive power systems in the country largely under the stimulus which the Federal power policy of the last 20 years has provided.

No one can discount the influence of the Tennessee Valley Authority program on the neighboring companies. No one can discount the influence of the public power agencies authorized under the laws of South Carolina. No one can explain away the accomplishments of the rural electrification program of the Federal Government.

Mr. President, I am going to review some of the development in the South for which Federal power policy is responsible, together with our hopes for the future, and then turn to a discussion of the present situation, for a threat to those hopes is arising like a cloud on the horizon. That threat is that the present Republican administration will try to capture for private monopoly the entire field of electric power, including the emerging atomic power program.

If the well-organized private power companies succeed in their present campaign, it will mean a setback for the South and a setback for the Nation as a

whole.

Let me first say a word about the influence of the Tennessee Valley Authority

in the field of electric power.

TVA showed that a revolutionary change in the philosophy of power marketing, in a region where low average income was reflected in low average use of power, could promote a phenomenal expansion of both, so that within the short span of 20 years, first, the region has utilized all of the more than 2 million kilowatts of undeveloped hydroelectric power in the Tennessee River Basin; second the region is reaching out to absorb the hydroelectric resources of the neighboring Kentucky River Basin as fast as they can be developed; third, the region is expanding its demand for coal to produce steam power at a far greater rate than is the rest of the country; fourth, this provides a stimulus to the more efficient use of other resources which, in return, lift per capita incomes and the total income of the region to levels which mean a proportionately greater contribution to the business of the Nation.

Mr. President, the entire South has profited by the influence of that example. as have other parts of the Nation as well But, as I have already remarked, Federal power policy is flexible, provided there is no departure from its basic principle, the principle which challenges private monopoly. So in my State a different experiment was undertaken by having the State legislature give legislative sanction to the creation of the South Carolina Public Service Authority.

During the same years in which the TVA was going forward with the development of the hydroelectric resources of the Tennessee River Basin, our South Carolina authority was going forward with the multipurpose development of the famous Santee-Cooper project on the Santee River. The Federal Government, under the Public Works Administration. provided a loan and grant which made this development possible.

The Santee-Cooper project has a capacity of 134,535 kilowatts. Its output of electrical energy in 1951 totaled about

466 million kilowatt-hours

Let me tell the Senate what the power companies did when we started to develop that project. Engineers testified that the dam would not be feasible because it would be built in the lower part of my State. They said the water would run under the dam and make holes like crawfish holes. We fought for it through the State courts, the Federal court, and all the way to the Supreme Court of the United States. We finally won in the Supreme Court of the United States.

Mr. DOUGLAS. Mr. President, will the Senator from South Carolina vield? Mr. JOHNSTON of South Carolina. I

Mr. DOUGLAS. Would the Senator permit me to say that in the long and distinguished record of the Senator from South Carolina, he has always fought on the side of the people, both as Governor and as Senator, and has made a marvelous record in defending the small farmer and the industrial worker of his State and of other States, as well.

Mr. JOHNSTON of South Carolina. I appreciate the remarks of the Senator from Illinois. When, as a Member of the Congress, I stop serving the ordinary person, I want the people to defeat me

in South Carolina.

Mr. DOUGLAS. Would the Senator permit me to make some comments on the political history of the Palmetto State?

Mr. JOHNSTON of South Carolina. I should be glad to hear the Senator's

comments.

Mr. DOUGLAS. I regard the Senator from South Carolina as a man who continues the progressive internal policies of the late Senator Ben Tillman. I disagreed with Senator Tillman in some of his remarks about the colored race and some of his actions in that regard, but is it not a fact that Senator Tillman, when he became Governor of South Carolina, represented the small farmer and fought for him and against the control exercised by the tidelands plantation owners of South Carolina?

Mr. JOHNSTON of South Carolina. That was his effort, and he carried on

that effort as long as he lived.

Mr. DOUGLAS. And the present Senator from South Carolina is continuing that branch of the Tillman tradition.

Mr. JOHNSTON of South Carolina. I think it is a compliment for the Senator from Illinois to say that, because I have always been a great admirer of Tillman. Naturally, we never agree with everything that any public man stands for.

Mr. DOUGLAS. May I dissociate myself from Tillman's views on the race question, with which I do not agree, but with his policies as between the small farmer and the big plantation owner did not Tillman reverse the policies of the government of South Carolina and establish a series of measures to help the small independent upland farmers?

Mr. JOHNSTON of South Carolina, That is true. He was for the man who made his living by the sweat of his brow. The cities, at first, fought him bitterly, and the large landowners fought him bitterly, but before he died, a great many of them agreed with what he was doing, because what he did was for the best interests of all.

Mr. DOUGLAS. Did he not found Clemson College, a great institution of the agricultural and mechanical arts in

South Carolina?

Mr. JOHNSTON of South Carolina. He did. He was the man who founded Clemson College. Today that college has done, I was about to say, more than any other institution in the State, but, of course, I should not say that, because I am a graduate of the University of South Carolina, and naturally we have our differences, which we settle every year at the big football game between the two institutions.

Mr. DOUGLAS. Is it not true that Clemson College introduced mechanical and agricultural training, which enabled large groups of South Carolinians to improve their earning capacity, raise their standards of living, and improve the general welfare of the community?

Mr. JOHNSTON of South Carolina. That is true. Having worked myself, for 10 years in the cotton mills, I have observed today how the boys who went to Clemson and received their engineering training there, have gone into the cotton mills upon their graduation from Clemson, taken positions as assistant superintendents, in order to secure practical knowledge, and have today become the officials of a great many of the cotton mills in South Carolina. This has meant much in bringing industry to South Carolina, because now we have trained men in the State who have the know-how. That means a great deal in any field, whether it be in the textile field or farming.

Today improved methods of farming are being used in South Carolina. I think it will be found that Clemson College graduates have gone to practically every farm in South Carolina, and have given advice to the farmers as to what is best to grow on the different kinds of soil in the State of South Carolina. Today, farming in South Carolina is diversified. South Carolina does not depend wholly on cotton, which for a long while was the ruination of farming in the

State.

Mr. DOUGLAS. Is it not true that the Rural Electrification Administration, to which the Senator from South Carolina has referred, has lifted a mighty burden of toil from the backs of the farmers of South Carolina, and their wives?

Mr. JOHNSTON of South Carolina. It makes me sad to think how the mothers used to work on what to them were blue Mondays. But today they look forward to Mondays, because for them the sun is shining. Monday, washday, in days gone by brought with it hard work. But

today the women are not bothered about washday. They put their wash in the electric washers, and go about the proper care of their children.

Mr. DOUGLAS. Tuesday was ironing day, but in many cases the electric iron, heated with electric energy, has removed the drudgery. Is not that true?

Mr. JOHNSTON of South Carolina. That is true.

Mr. DOUGLAS. Food is preserved in electric refrigerators.

Mr. JOHNSTON of South Carolina. Millions of dollars worth of food which formerly went to waste is now being preserved and kept from spoiling.

Mr. DOUGLAS. Water is being

pumped, and is being heated for baths, by electricity, is it not?

Mr. JOHNSTON of South Carolina. The Senator is correct.

Mr. DOUGLAS. Barns are being heated and lighted with electricity.

Mr. JOHNSTON of South Carolina. All those things are being done.

Mr. DOUGLAS. I congratulate the Senator from South Carolina upon stressing the importance of these homely, but very significant items.

Mr. JOHNSTON of South Carolina. A great many farms, of any size at all, have electric milkers and electric churns. So many things are now being done by electricity that conditions have vastly improved in the past few years. It has all occurred under the present system. which we hear criticized so much.

People talk about creeping socialism whenever they hear about a project into which the Government has put a little money. The Government put some money into the Sante-Cooper project, but, oh, how much it has meant to South Carolina, especially the lower part of my State. It has provided a yardstick with which to measure the charges made by the private power companies in the

Oh, it is all right for the Government to give money to foreign countries. I happened to pick up a newspaper recently and read an article about a World Bank loan to Austria. The article is as follows:

WORLD BANK LOAN IN AUSTRIA TO AID POWER PROJECT

The International Bank for Reconstruction and Development yesterday announced its first loan in Austria.

The loan, in European currencies, will help to finance the Reisseck-Kreuzeck hydroelec tric power project being constructed in southern Austria.

The project will make more power available to industries, and will enable Austria to increase power exports to Italy.

The bank expects that about half the loan will be disbursed in Italian lire and about half in Swiss francs. Italian lire in the amount of approximately 3,750 million will be provided out of Italy's subscription to the capital of the bank. Some 26 million Swiss francs required will be drawn from the proceeds of the bank's sales of its bonds in

I have not heard of the American people getting any money out of Switzerland.

Mr. DOUGLAS. As the Senator from South Carolina is aware, I frequently do not have the same views as does the Senator from South Carolina on these matters, because I am not opposed to

such loans. But is it not interesting that the President of the United States sent a very able American, Mr. Eric Johnston, to the Near East to negotiate an agreement between the Arab States and Israel for a development similar to the TVA on the Jordan River?

Mr. JOHNSTON of South Carolina. That is true.

Mr. DOUGLAS. That project is, I think, going to be undertaken. I may say that I am pleased because it is.

Mr. JOHNSTOIJ of South Carolina. I am not criticizing it at all.

Mr. DOUGLAS. Is it not extraordinary that it is regarded as being good for the Jordan, but not good for the Tennessee River?

Mr. JOHNSTON of South Carolina. It is good to send money over there, but not to use it at home, according to the present administration. I cannot understand that.

Under a special act providing for relief and rehabilitation of South Korea, the President provided a fund of \$200 million. In order to bring about the rehabilitation of the Republic of Korea, it was necessary to get power quickly. Steam plants can be placed in operation faster than can hydroplants. So \$30 million has been provided to build 3 steam plants in the Republic of Korea, 1 of 50,000 kilowatts annual capacity at Seoul, a \$25,000 kilowatt plant at Masan, near Pusan, and a 25,000 kilowatt plant at Sanchok, on the east coast, near the Korean coalfields.

It is all right to do that for Korea, but the Government does not want to use any of the people's money for Federal projects in this country.

The Republic of Korea has a contract with Pacific Bechtel to build the plants. The contract was negotiated for the Republic of Korea by the United States Foreign Operations Administration, and

FOA will pay the cost.

The Government seems to be very willing to use the people's money to build such plants in Korea and elsewhere, but in the United States it seems to be the plan to take away such plants after they have already been built, and to operate in some other way.

Mr. DOUGLAS. In other words, it is all right if public power gallops in the Jordan Valley, in Korea, and in Austria, but it is not allowed to creep in the United States.

Mr. JOHNSTON of South Carolina. It is fine for other countries, but it is creeping socialism when it is done in the United States.

A smaller public system set up under the State law is operated by the Greenwood County Electric Power Commission. It owns a steam-electric station with 16,000 kilowatts capacity and a hydroelectric station with a capacity of 15,000 kilowatts. The output of these stations in 1951 totaled 147,525,000 kilowatthours of electrical energy. They both now purchase Federal energy from the Clark Hill Dam on the Savannah River.

Mr. President, the fact that both of these publicly owned systems offered themselves as a source of low-cost power supply to municipally owned and rural cooperative electric systems has had a very beneficial effect on the cost of electric service in South Carolina.

Thus, rural electric cooperatives in my State are securing their power supply at seven-tenths of a cent a kilowatt-hour, on the average, and a number of them are paying the South Carolina Public Service Authority only a little over half a cent a kilowatt-hour for their power supply.

It is interesting to note that the Greenwood County Electric Power Commission, generating 75 percent of its power in a small steam plant, is able to offer rural electric cooperatives a power supply at three-quarters of a cent a kilowatt-hour. The great systems of New England, with about the same proportion of steam-generated power, are asking rural electric systems for about one and a quarter cents for the same kind of kilowatt-hour.

Needless to say, Mr. President, the private power companies in my State have fallen in line with this progressive policy. Thus, the 23 rural electric cooperatives serving the farmers of South Carolina are securing their power supply for an average of just over two-thirds of a cent per kilowatt-hour, or just about one-half of the price which similar cooperatives must pay the private power systems in New England. I would like to have someone answer that question.

It is very interesting to look at a map showing the cost of wholesale power supply to rural electric cooperatives in each State of the Union. In fact, I know of no clearer illustration of the effectiveness of what I interpret as the Federal power policy.

Such a map shows that during the fiscal year 1953, the cost of power supply to such cooperatives averaged less than three-quarters of a cent per kilowatt-hour in all States in which that policy, in one or another of its forms, has been effective. In other States the rural electric cooperatives pay increasingly more, as the distance from Federal power areas increases, rising to a peak of just over 1½ cents in Maine. And I am told that Maine has some very good undeveloped hydroelectric resources.

Let me cite, very briefly, what these important farmers' institutions are paying in the South. In order to show the variation from State to State, I must refer to the average rates in mills or tenths of a cent.

The charges for electric power purchased by such rural electric cooperatives average 4.8 mills in Tennessee, where the Tennessee Valley Authority is the only supplier. Let me cite examples of costs where the Tennessee Valley Authority is not the only supplier: 5.3 mills in Mississippi; 5.8 mills in Alabama; 6.4 mills in Georgia—we are getting a little farther away from TVA—and 7.1 mills in South Carolina, when the overall average is considered.

Across the Mississippi River, in our neighboring States of the Southwest, we find the average charges to rural cooperatives running at 5.5 mills in Louisiana—not very far away from the TVA—6 mills in Arkansas; 5.8 mills in Texas; and 6 mills in Oklahoma.

Mr. President, we of the South feel sorry for the rural electric cooperatives up North, where they are paying 15.4 mills in Maine-let that sink in-15.4 mills in Maine; down in Tennessee it is 4.8 mills; 12.3 mills in New Hampshire, 12.3 mills in Vermont, 11.2 mills in New York, 10.5 mills in Pennsylvania, 12.8 mills in Michigan, 13.7 mills in Wisconsin, 12.6 mills in Iowa, 14 mills in Minnesota; 11.2 mills in North Dakota; and 11.7 mills in South Dakota. They are just too far away from the area where the influence of the Federal power policy is effective today. Remember, they are buying from power companies. Do not think the TVA is selling it to them, no: but that is the effect of the yardstick when that kind of power is close by.

Mr. GORE. Mr. President, will the Senator from South Carolina yield? Mr. JOHNSTON of South Carolina. I yield to the Senator from Tennessee.

Mr. GORE. The power rates which the distinguished Senator is citing are all rates of private power companies, as I understand.

Mr. JOHNSTON of South Carolina. That is true; they are all rates of private power companies.

Mr. GORE. And the Senator is showing that the companies surrounding the TVA service area have, by reason of the TVA yardstick, reduced their rates to less than half what they are in certain other areas, is he not?

Mr. JOHNSTON of South Carolina. They are less than one-third of what they are in Maine; less than one-third.

Mr. GORE. And as the private power companies have brought their rates down, the consumption of electricity by the people has gone up, and so have profits of the companies. Is that not correct?

Mr. JOHNSTON of South Carolina. Not only do the people use more power, but there are more users of electricity, and as the number of consumers has increased, the use of more electrical equipment of every kind has also increased. The American Government likewise benefits, for whenever a washing machine is bought, all persons or companies which handle it, from manufacturer to consumer, pay taxes on their profits. In turn, the manufacturer of the machine manufactures more, and he makes more profit. It is an endless chain, so to speak, of making money for the Government.

Some persons seem to think that we want nothing but free enterprise, individualism. That is fine, but we do not want to go to the point where private power companies are given an unfair advantage. It must be remembered that practically every power company is a monopoly in the particular district in which it is located. Power companies do not have competition from power companies selling in the same area. A power company is a monopoly; and I am not in favor of taking away the yardstick of the Federal Government and not having a yardstick with which to measure the rates charged by the private companies.

As I see it, the pending bill is nothing more than the first step to take away the life of the TVA. If the Commission handles its cases in the future in the way it has handled the one in the past, all the President will have to do will be to say, "I want you to make the rates throughout the United States the same," and then the Commission will do as the President tells them; he will have a whip over their backs. He will appoint Commissioners who will carry out his instructions. Although the Atomic Energy Commission was established as an independent commission, it will lose its independence the minute anyone can call from the White House and tell the Commissioners what to do.

Mr. President, there is more in the bill than many persons think. I believe we should study the bill more, in order not to do in a hasty manner something we would regret in years to come.

I have seen how we have profited in the past by our power policy. I, for one, wish it to continue in the future in order that we may make further progress in that particular field and at the same time not handicap the Atomic Energy Commission in carrying out the purposes for which it was intended and created. namely, to develop atomic energy, and then—in view of the fact that it belongs to all the people—to make it available to all the people, not to only a few persons or to a corporation. Eleven billion dollars has been spent on investigations and experimentations in the atomic energy field, and atomic energy belongs to the people of the United States. Yet it is proposed that the Dixon-Yates group be told, "You can have this for 25 years, and you will be guaranteed by the Government a profit of 9 percent," or a profit amounting to about one-tenth of the investment, Mr. President; that is what it would amount to.

I do not favor giving away our investment in that way. I want the people of my State, whom I have the honor, in part, to represent, to have their property rights defended for them; and they can be defended only by action by the Members of Congress when such a proposal as this is made. In view of the manner in which the proposal is before us today, Mr. President, we will continue to carry on this fight.

Mr. MURRAY. Mr. President, will the Senator from South Carolina yield for a question?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from South Carolina yield to the Senator from Montana?

Mr. JOHNSTON of South Carolina. I vield.

Mr. MURRAY. I have been greatly interested in the speech being delivered by the distinguished junior Senator from South Carolina. It occurred to me that, inasmuch as the Tennessee Valley Authority has accomplished so much, there should be a desire on the part of the Government to provide similar arrangements for all sections of the country. I believe bills calling for the development of the various river-valley systems have been introduced. If such a program were carried out, it would be of tremendous value to the country and to the people, and would greatly increase the wealth and prosperity of the whole Nation. Is that not true?

Mr. JOHNSTON of South Carolina. Yes.

I have visited Montana; in fact, I spoke there just a few weeks ago. Montana is suffering today because of a lack of power.

Mr. MURRAY. That is correct.

Mr. JOHNSTON of South Carolina. The power companies there are not developing. They say, "Oh, we will do it," but they have not done it, and they will not do it.

I can recall a time in South Carolina, when I was Governor-along about 1935 or 1936-when a petition would be presented to me to get the power companies to extend their lines only a mile or two from a town. The power companies would argue that that could not be done. that it would be too expensive. But when we began the Santee-Cooper project, do you know, Mr. President, what the private-power companies would do then? They would extend a branch line into the most profitable territory in order to keep the Santee-Cooper line from extending on a parallel and reaching the same profitable customers. That shows how the private-power companies co-

Mr. President, I certainly hope Montana will receive from some source help to build some of the necessary power dams. Certainly they are needed, not only for the development of power, but to conserve water. Under present circumstances, in Montana, in one season all the water runs off and is gone.

I visited one dam that is being built in Montana; the Senator from Montana remembers that, I am sure.

Mr. MURRAY. Yes.

Mr. JOHNSTON of South Carolina. It is wonderful for Montana to have that dam; but it is only a drop in the bucket, insofar as the needs of Montana are concerned.

Mr. MURRAY. Yes.

A number of other projects in Montana have been studied, and are ready to be developed. We did build what is known as the Hungry Horse Dam, on the upper stretches of the Columbia River; and that development has been of great value to our State. But, as the Senator from South Carolina has pointed out, there is need for the development of other dams in Montana in order to carry out the program to its fullest extent.

Mr. JOHNSTON of South Carolina. I should like to say it is not the fault of the distinguished Senator from Montana that the program has not been carried along further. Certainly he has worked day in and day out to have the proper powerplants constructed in his State.

Mr. President, a moment ago I called attention to the different rates in different States. Perhaps the trouble should be traced to the fact that those States have been misled by the propaganda of the private power companies into opposing the policy which has brought such blessings to us in the South, for it certainly does seem a shame that rural electric cooperatives in New York State, within easy transmission distance of two of the greatest and cheapest undeveloped hydroelectric resources in the

world, should be paying 11.2 mills per kilowatt-hour for their power supply. Just think, Mr. President, of Niagara Falls and the St. Lawrence-practically undeveloped, insofar as the power companies are concerned. We in the South would like to be able to move the St. Lawrence and Niagara Falls into the southeastern section of the United States. We would not let the 15 billion kilowatt-hours of electricity a year which they can produce go undeveloped very long. What is more, we would make sure that those kilowatt-hours would be available to public and cooperative electric systems, without any surcharges added by private monopoly.

Mr. President, a few moments ago I said that power sold by private power companies is always sold by a monopoly. An examination of the situation will reveal that the private companies have their field, in which they sell without

any competition whatsoever.

Mr. President, some people wonder why it is that cotton mills are leaving New England and moving into the South. The answer to it is that power is much cheaper in the South than in the New England States. Census figures show costs of power per unit in New England are 52 percent higher than in the country as a whole, 80 percent higher than in North Carolina, and 246 percent higher than in Tennessee. I do not blame them. I would close up and move out. too, and go where I could get cheap power.

In the New England woolen and worsted-textile industry, which has been very hard hit with unemployment, the weighted average cost of purchased electric power in Massachusetts and Rhode Island was 75 percent in excess of the weighted average in the Carolinas and Georgia. That is a big item. I do not have time to tell the other reasons why industries are moving to the South. There are so many reasons that I would be here all night if I were to tell all of them. But power is one of the reasons. and that is the question before us at the present time.

The November 1952 report of the New England Governors' Committee on the Textile Industry said that the higher power costs and the relatively small development of hydroelectric power were among the factors causing the decline of the textile industry in New England and the lack of new industrial establishments. That is a statement from the governors' conference. That is not the statement of the Senator from South Carolina. I am quoting the Governors.

Mr. President, it is a fact that there are more than 150 Federal hydroelectric projects in the country. There is not one in New England. Let that sink in,

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina.

Mr. HILL. Is it true that the power rates in New England are 52 percent higher than the average rates throughout the country?

Mr. JOHNSTON of South Carolina. Yes; and 80 percent higher than the rates in the States around South Caro-

Mr. HILL. I understand they are 80 percent higher than the rates in North Carolina.

Mr. President, will the Senator further yield?

Mr. JOHNSON of South Carolina. I vield.

Mr. HILL. I am not an engineer. have never visited New England, which is one of the loveliest sections of our country, and seen its rivers-the Connecticut River and the other riverswithout wondering why the people have not harnessed those rivers and put them to work. It would not affect the beauty of the streams, except to enhance it and create lovely lakes for recreational purposes. I do not understand why they have not harnessed their streams and obtained cheaper power rates.

Mr. JOHNSTON of South Carolina. I cannot understand it either; but they have been waiting for private power companies to build. The private power companies have not built so far, to the extent necessary to give the people the rates they should have.

Mr. HILL. Mr. President, will the Senator further yield?

Mr. JOHNSTON of South Carolina. I

Mr. HILL. We know what mass production has done in manufacturing. Henry Ford was a great leader in mass production. The same principle applies in the power business. If the rates are brought down, mass consumption is made possible, is it not?

Mr. JOHNSTON of South Carolina.

That is true.

Mr. HILL. When there is mass consumption, it is possible to continue to reduce the rates.

Mr. JOHNSTON of South Carolina. That is true with respect to electricity to a greater extent than with respect to any other field. When the transmission lines are built they are there to carry a small amount of power or a large amount of power.

Mr. HILL. A small load or a heavy

Mr. JOHNSTON of South Carolina. A small load, or a heavy load, up to a certain limit.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I vield.

Mr. ANDERSON. Does not the Senator believe that that is one of the reasons why men from the New England States, men such as the Senator from Rhode Island [Mr. PASTORE], are so interested in the possibility of developing power plants for the production of electric energy alone, feeling, perhaps, that that might contribute to the reduction of the power cost? Does the Senator think that is an important consideration for the New England States?

Mr. JOHNSTON of South Carolina. It is my opinion that the Senator from Rhode Island believes that. Having been Governor of his State, he realizes how the people are handicapped at the present time, and almost embarrassed by the rates they have to pay. If a single Federally owned powerplant were built in his State, it would affect rates as far away as Maine. The people would get the benefit of cheaper rates. I think that has been proved by the building of the TVA and, in South Carolina, by the building of our power installation, known as the Santee-Cooper project, under the South Carolina Power Authority.

As I was saying, there is not a single federally owned electric project in the

New England States-

Mr. UPTON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I vield.

Mr. UPTON. The Senator has been referring to the difference in costs of electric power, as between certain sections in the South and New England. Can the Senator give us any information as to the difference in wages paid for skilled and unskilled labor as between the South and New England?

Mr. JOHNSTON of South Carolina. I will answer that question by saying that it will be found that the wages paid in the South are in line, to a very large extent, with those paid in the New England States. I am sorry to say that at one time that was not true. However, in the South there is now a different system. A great many of the cotton mill workers-I presume they are the ones to whom the Senator is referringown their own homes. Some of them are able to rent houses for \$10 a month. In the New England States they do not own their own homes. All those things are taken into consideration. I. for one. believe that the wages paid to the workers in industries in the South and in the

North are not what they should be. Mr. UPTON. Mr. President, will the

Senator further yield?

Mr. JOHNSTON of South Carolina.

I yield.

Mr. UPTON. Did not the governor of the Senator's State recently advise the legislature or the people that it would be necessary to enact a so-called right-to-work statute for South Carolina in order to maintain its industrial standing among other States in the South?

Mr. JOHNSTON of South Carolina. I do not exactly agree with everything my governor says, though he is Governor of South Carolina. I have not always agreed with him in his method of conducting the affairs of the State, in his way of financing, his political methods, and other things. We differ somewhat. We have differed on a great many subjects.

Mr. UPTON. Is my understanding correct that the governor of the Senator's State advised the people of the State that such a statute would be nec-

essary?

Mr. JOHNSTON of South Carolina. I think that is true. The Governor of South Carolina did make some recommendation to that effect. He did not exactly say why.

Mr. UPTON. I leave that to the Senator.

Mr. JOHNSTON of South Carolina. I do not know what reasons he gave. The only thing I know is that he signed the bill.

Mr. UPTON. What would be the purpose of such a statute? Would it be to further the organization of labor, or would it tend to retard it?

Mr. JOHNSTON of South Carolina. I am sorry to say that labor is not very well organized in South Carolina. I wish it were organized to a greater extent.

The industrialist, Henry Kaiser, has given some good advice to our friends from New England. He said:

You New Englanders can be the richest people in the Nation or the poorest. The choice is yours. If you develop your neglected water power, you can expand your industries tremendously and create thousands of new ones. But if you continue to waste water power—your most valuable natural asset—you will lose factory after factory until your famous manufacturing centers will little more than ghost towns. The highly electrified South and West will outsell you and outstrip you. And you will find yourself increasingly helpless.

That is what Henry Kaiser said about the conditions he found in the New England States.

Mr. President, the alternative for the statesmen of New England and other high-cost power areas is not to assist in the destruction of our public power developments in other parts of the country, but rather they need to work for programs which will bring the low-cost yardstick of public power to their area. They need to work for the full utilization of the power resources of the Niagara, and of atomic power.

The mere full development of the Niagara River or other hydroelectric or atomic resources is not enough. They must be developed with preference guaranteed to public bodies and cooperatives in the marketing of the power. This is necessary to insure that the benefits of such developments are passed on to the consumer of electricity. If this is done in the Northeast, the result would be a real competitive yardstick in an area having the highest power rates in the Nation.

That is why the Senator from Rhode Island [Mr. PASTORE] wants the system and policy to continue. He would like to get a Federal powerplant in Rhode Island. Then the people of Rhode Island would have a yardstick. When they began to measure with it they would find that someone was not giving them 36 inches to the yard and that they were being charged more than three times the amount paid elsewhere for power generated by a steam plant—the same kind of power that is generated in a steamplant by a private power company-not publicly owned, but by a private power company-in the South. Can anyone explain that?

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I vield.

Mr. HILL. Is it not true that the power business is different from practically any other business in America? In the first place, when power is generated from water, a power company is using the resources that belong to all the people. Is that not true?

Mr. JOHNSTON of South Carolina. In other words, the inherent power in a stream does not belong to any individual; it belongs to the people.

Mr. HILL. Because when God Almighty sends the waters in the form of rain He sends them for all of us, not for any particular company or any particular person. Is that not true?

Mr. JOHNSTON of South Carolina.

That is entirely right.

Mr. HILL. Is there not also another difference, namely, that the power business is by its very nature a monopoly business; there is no competition in the business. Is that not true?

Mr. JOHNSTON of South Carolina. have already explained time after time that if the Federal Government does not go at all into the power field, the power companies are left with a monopoly in the particular field in which they are located. The Senator from Alabama well knows that a power company serves people in one area, and other power companies do not come into that area. Therefore, there is no competition, and, consequently, there is a monopoly.

Mr. HILL. Is there not also another difference, in that it is a cost-plus

operation?

Mr. JOHNSTON of South Carolina. That is right; it is a cost-plus operation.

It is a big plus, too.

If this power is merged with the present high cost sources of power, its benefits will be dissipated and the result will be that the ultimate domestic rural and industrial consumer will benefit little, if any. There will not be the competitive impetus to bring down rates.

It is unfortunate that the New York Power Authority, unlike the South Carolina Public Service Authority, has no provision for preference to public bodies and cooperatives. This makes it necessary that the Congress insure that any benefits of the development of a public resource like our rivers and atomic energy be passed on to the consumer, even when that resource is developed by a State or other public agency.

Mr. President, the vital public question in the Southeast today is whether we are going to be able to take full advantage of the fine hydroelectric power from these projects and from the further development of our resources. The answer will depend on the success or failure of the people in their effort to stop the present drive to reverse Federal pow-

er policy.

The people of my State are particularly fortunate because they moved in the 1930's to take advantage of Federal financial assistance in the setting up of the South Carolina Public Service Authority, commonly known as Santee-Cooper. This Authority and the Greenwood County Electric Power Commission, each with its own generating and transmission system, have the ability to purchase Clark Hill power at the generating station, so that the people of the State are not completely dependent on private monopoly for power supply to their municipal and cooperative systems.

On the other hand, it is unfortunate

that our friends on the other side of the Savannah River in Georgia do not have such transmission facilities and have not been able to receive their half of the Clark Hill power. Because the rural electric cooperatives in Georgia do not have lines to the dam, and the Georgia Power Co. with the support of the administration has thus far refused to "wheel" the power to them—think of that, Mr. President—the co-ops on the Georgia side have not received a kilowatt. Meanwhile, the power which the co-ops are entitled to under the law is being sold to the Georgia Power Co. They have been dividing the power down the line, giving the power company a chance to make a little profit out of the farmers.

The people of my State may also be in a position to meet future load growth by obtaining additional power from future development of other waterpower sites on the Savannah River and its tributaries. But, there is no such possibility in other States of the region, nor can the future hydroelectric projects which all the rivers of the region offer assured low-cost power supply unburdened by monopoly, unless the power from these projects is integrated and offered to the people's nonprofit power agencies, in accordance with the principles embodied in section 5 of the 1944 Flood Control Act.

Mr. President, the people of my region are aware of the fact that the wind of private-power influence in the Federal Government is blowing with a force which threatens the future of our rural electric cooperatives, just as much as if a real hurricane threatened to uproot the poles which carry the rural electric lines.

All that the private-power people have to accomplish is to cut off the future low-cost power supply from these cooperatives, or from our fine municipal power systems, and the result will be fatal. If, in addition, the access to low-cost financing is restricted, the great gains which our people have a right to expect from their river-basin resources will be choked off.

In simple language that all will understand, if the present drive on Federal power policy succeeds, the people of the Southeast will be able to use only a part of the 23 billion additional kilowatthours of electricity which their rivers can supply and then only by paying toll on each kilowatt-hour to private-power monopoly.

Let me suggest a few evidences of how the wind is blowing. And I am going to talk about evidences in the Southeast, although I am aware that attempts to give away such great public waterpower resources as Hells Canyon in the Pacific Northwest and Niagara Falls in the Northeast, not to mention the abrogation of the Federal contracts with the Southwestern cooperatives, are matters of significance to all of us throughout the land.

First, Mr. President, the Federal Power Commission, which is supposedly an arm of the legislative branch of the Government, is acting to give away many key hydroelectric projects in Federal river-basin programs. It is true that the United States Supreme Court has held that the Commission has the discretion to do this. But this does not mean that

an agency of Congress should fly in the face of, or render futile, a policy established by Congress.

I am convinced that Congress should hasten to close the barn door before all the people's horsepower is stolen, by enacting into law the bill introduced sometime ago by the distinguished Senator from the State of Washington [Mr. Magnuson]. This bill would prevent the Commission from issuing a license for private development of a waterpower resource which is part of a construction program approved by Congress.

We cannot afford to have the Federal river-basin programs in any region mutilated by the Commission's grant of licenses to private monopoly for private development of the premier hydro sites. Certainly, where the full development of those sites is dependent on regulation of stream flow by other projects upon which the Federal Government has spent millions of dollars, the grant of such licenses without congressional consent is inexcusable in terms of public policy.

If this policy continues, the rural electric cooperatives, along with the municipally owned electric systems, will be rendered dependent on the very private monopolies which would like to see them destroyed, so they can move in and take over the business.

But this giving away of these fine waterpower resources is not the whole of the story. For the drive against Federal power policy is many-pronged. It includes the cutting out of appropriations for transmission lines, the reduction in appropriations for Federal multipurpose river-basin projects, as well as for the vital rural electrification program, and the increasing sympathy of the administration in Washington with the views of private monopoly as to how power from Federal projects should be marketed. The bill goes into that field.

If, through the administration's budget policy, or the actions on appropriation requests, or administrative action in refusing to carry out the clear intent of the legislation defining Federal power policy, the reversal of that policy can be achieved, the political party presently in control of the Government of the United States will have, in effect, repealed that legislation.

Mr. President, through battles in successive sessions of successive Congresses, the organized private power interests, represented by a heavily financed lobby in Washington, have failed to repeal or amend the law which provides for Federal development and marketing of power with a preference to publicly owned and cooperative systems. Public protests have made it clear that such a change would be highly unpopular.

I am convinced that once the people have been alerted to what is now happening, they will take effective steps to make sure that the power policy which has meant so much to the whole country is not sabotaged in the interest of private monopoly.

What the threatened change of policy will mean to the Southeast is clear. The 100-percent deletion of Southeastern Power Administration transmission

lines to serve preference customers in North Carolina, South Carolina, Florida, Georgia, and Alabama places power companies in those States in a position to purchase the output of 3 existing dams and 2 others under construction.

As I have already noted, it is only the fact that South Carolina has the South Carolina Public Service Authority, with an existing transmission system, and the Greenwood County Electric Power Commission able to take over the Clark Hill-Greenwood transmission line, which will leave the public and the cooperative systems in my State in a position to take advantage of power from the Federal Clark Hill project on the Savannah River. But that provides no assurance for the future as our load grows.

The attitude of the private utilities in the Southeast already reflects the threatened change of policy. With no fear of alternative construction of Federal transmission lines, the Virginia Electric & Power Co. is the only company in the entire Southeast that has agreed to wheel even a small amount of Federal power to preference customers. Oh, yes; they will wheel it to others, but not to preference customers. That company has assurance, over the signature of the Southeastern Power Administrator, that it may get out of the wheeling arrangement if the Secretary of the Interior accepts the Georgia Power Co.'s proposal which would compel rural electric cooperatives to become customers of the company.

In the language of the Administrator of the Southeast Power Administration, the proposal which the Georgia Power Co. has made for the purchase of Government power "does not provide for the sale of any firming energy by the company to the Government nor for any transmission of power by the company for the account of the Government but provides merely for the outright sale by the Government to the company of all Government power to be disposed in the company's service area and for the resale by the company of such power to agencies given preference by law."

Mr. President, approval of this contract would, in effect, repeal the true intent of the preference provision of the law, under which the Secretary of the Interior markets power from Federal hydroelectric developments. It would accord private monopoly the entire preference. The previous Secretary of the Interior took the position that he could not sign such a contract under the law.

The people of my region will be watching to see what the present Secretary of the Interior will do about this proposal.

We will also watch closely the provision that is made for meeting the future needs of the region through Federal development of the great waterpower resources of our many rivers. So far, we have failed to get started the Hartwell project, above the Clark Hill development on the Savannah River. It should be the next step in harnessing this river to provide the people of the region more than 2 billion kilowatthours of needed low-cost electrical energy.

well project. It should be started. We need it, because we need the power.

We do not want to see the cost of wholesale power supply to our municipal plants and our rural electric cooperative systems go up to high levels like those that prevail in New England where power company influence has kept the people from taking advantage of Federal power policy.

I hope the power companies in New England will feel a little sorry for the people there, and will reduce their power rates. It might be that I am talking against my own interests in South Carolina. The longer the power rates are kept up in New England, the more industries will come to South Carolina and to the South.

But I intend to continue to advertise. hoping that it will do some good for the New England people, so far as reducing their power rates is concerned. We are getting industries in South Carolina. They have piled in down there in the past 20 years. I expect them to continue to come, because South Carolina is God's paradise.

We do not want to see the electric bills paid by our homes and farms go up to the levels which prevail in New England. because we think that would seriously affect our economy. A farmer does not have too much money, and he has to watch his pennies. The price of cotton has already gone down. According to an article which I read in a recent issue of the Wall Street Journal, probably not more than 12 million bales of cotton will be produced this year. Sixteen million bales were produced last year. If my arithmetic serves me correctly, that is a 25 percent reduction.

We all know how prices have gone down in the past 2 years, and also how the amount of cotton produced has

dropped.

I think my friend, the Senator from North Carolina, understands how the farmer has reduced his production. Of course, God had a little something to do with it. I will not blame the Republicans for an act of God. The production of cotton has dropped because of a lack of normal rainfall. At the same time, that has reduced the amount of money which the farmers have, and they need every cent they can get. If they have to pay more for electricity from the rural cooperatives, then someone else is not going to get the money. It may be that farmers soon will be cutting down on their use of electricity. A farmer might let one light burn a little sometimes, but when the sun goes down, he will go to bed, if the price of electricity goes up to the point where it is in the New England States, and money becomes scarce as it appears it will be in the near future.

Mr. MORSE. Did the Senator say "in the near future"?

Mr. JOHNSTON of South Carolina. It is already as scarce as it can be.

Mr. MORSE. That is the point I wanted to make.

Mr. JOHNSTON of South Carolina. I was conducting a committee hearing on a bill relating to salary increases, and I was trying to get at the point of whether

I am very much in favor of the Hart- the proposed legislation should not be made permanent. Many persons wanted the increase made temporary. I thought it should be made permanent.

I said, "Are you not a little afraid that if the increase is made temporary, it may lead to the thinking that in the future there will be either a recession or a depression? I think it would have good effect if the increase were made permanent, as was done in other bills. If an increase in salary is needed, let it be made permanent legislation. Let us not put fear into the hearts of the people."

So we need a little more money now. The farmers of my State, especially, need it. Being a member of the Committee on Agriculture and Forestry, I know how farmers have been reducing their acreage, and how it cuts down production. It has a telling effect.

We do not want to see the electric bills for industrial power in the Southeast go up to the levels which prevail in New England because we think that would discourage the expansion in industry and industrial employment which is raising the South to a position of economic equality in the family of regions which compose the Nation.

I am convinced that all of these things could happen if the present drive of private power monopoly to reverse Federal

power policy succeeds.

But I would urge that we go further to resist all efforts of private monopoly to overturn the Federal power program. We must go forward to develop our waterpower resources through agencies which will preserve all the values for the people. We must assure adequate appropriations to keep such development abreast of the needs of public and cooperative power systems in every region. We must stop the giveaway program which would hand over our richest power resources to private monopoly. And, finally, we must make sure that Government power, developed from the people's resources for the people, shall reach them without having to pay toll at a private tollgate.

I am convinced that unless we meet squarely the brazen campaign of the private power interests, which are seeking to mesmerize and mislead the people, not only the economic expansion but also the very health of our democracy will suffer in the future.

It is true that Theodore Roosevelt was one of the first to start the conservation of our natural resources, and we want to give him credit for that.

Our Government has continued that policy up to the present time, but I can see in the wind at this time that we are not going to develop any more public power, but will give it over to private power corporations. When that is done, we can expect high rates to be paid per kilowatt-hour. The charge for a kilowatt-hour will be left to the private power company in each particular local-I ask people not to become excited if they find they will be charged the same rate which is now being paid in Maine, more than a cent and a half a kilowatt. for the energy that is used through the cooperatives.

Mr. President, I have outlined the safeguards which I believe should be incorporated in the atomic energy bill before its passage. I have pointed out the relationship of the power features of the bill with a concerted attack on Federal public power policy. It is my belief that passage of the atomic power provisions of the bill, as reported to the Senate, would constitute a giveaway of the greatest magnitude of the people's resources. Eleven billion dollars is quite a giveaway. The McMahon Act has served us well, as has our Federal power policy. I think we should continue both until a better comprehensive plan can be worked out.

Mr. President, during the hearings held by the Joint Committee on Atomic Energy, a great many witnesses appeared before the committee and testified, in particular Gen. Kenneth D. Nichols. He pointed out to the Commission the dangers in this bill. I agree with him. I remind my colleagues that we are dealing with a large and important bill, the results of which are inestimable. When one picks up the bill and looks at it, he can see how big it is. It contains 104 pages. It must be remembered that when we are dealing with power, a subject that is so involved, a little sentence perhaps can really and truly ruin the Federal power policy in existence in America today.

Mr. MORSE. Mr. President, will the Senator from South Carolina yield for a question?

The PRESIDING OFFICER (Mr. Welker in the chair). Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. MORSE. Does not the Senator from South Carolina think the bill is of such vital importance to the American people that it ought to be read sentence by sentence into the RECORD, with interpolations following the reading of each sentence, pointing out the implications contained therein?

Mr. JOHNSTON of South Carolina. I believe that should be done. Right along that same line, I fear that very few Senators have read the bill. I should not like to ask Senators, particularly those across the aisle, how many of them have read every line in the bill. I would dislike even more to ask how many have read 10 pages of the bill.

Mr. MORSE. Will the Senator yield further for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MORSE. If the Senator from South Carolina feels that way, and I share his feelings and his fears, does he not think some of us in the Senate have really a great moral obligation to read the bill to our brethren line by line, with interpolations line by line?

Mr. JOHNSTON of South Carolina. I think that should be done. I do not think all Senators could be here, but I believe it would be very profitable to the general public if the bill were read and discussed sentence by sentence and there was an explanation of what each sentence meant.

Mr. MORSE. Will the Senator yield further for a question?

Mr. JOHNSTON of South Carolina,

I yield for a question.

Mr. MORSE. Even though the Senator has stated that he is not sure Senators would all be here, does not the Senator agree that in conducting that educational process in the Senate we would have fulfilled our obligation to the American people, at least in putting the Senate on due notice as to what is contained in the bill?

Mr. JOHNSTON of South Carolina. The Senator is entirely correct. There has been a great deal of criticism because the bill has been debated, but when the fact is considered that there is involved in the bill a giveaway of \$11 billion, I think the necessity for studying the bill and discussing it to some extent is obvious. I personally think that action on bills of this nature should be delayed until the next session, in order to give us time to go back home, and, under the shade of a tree, read and study the bill. What is the rush, anyway?

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina.

I yield.

Mr. MORSE. The Senator understands, does he not, that I am not permitted to answer questions, although I would be delighted to do so if I were allowed to do so? The question I wanted to ask the Senator from South Carolina is this: Does he agree with me that it is not surprising that those of us who are insisting upon a full disclosure of the implications of the bill are bound to be subjected to criticism by reactionary forces in the country which want to get the bill passed quickly, before the American people awaken as to what is in it?

Mr. JOHNSTON of South Carolina. I think there are people in the United States who would like to see this bill passed without a word said about it. I think there are people who would be glad to have it done that way, and keep quiet about the bill, and then have the public wake up later and find out what had happened to rights which the people had had for many, many years-for the past

47 years.

The PRESIDING OFFICER. Senator from South Carolina has the

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a

The PRESIDING OFFICER. Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, I am about to move that the Senate take a recess until 10 o'clock tomorrow morning.

At this time I wish to announce to the Senate, for its information regarding the future legislative program, what we have in mind.

Of course, the pending bill is Calendar No. 1710, Senate bill 3690. When action on that bill has been completed, we intend to call up Calendar No. 1825, Senate bill 3052, the farm program bill. We probably shall follow it—although not necessarily in the precise order I shall now state-with the following bills:

Calendar No. 1831, House bill 9678, the foreign-aid authorization bill.

Calendar No. 1808, House bill 9709, the unemployment-compensation bill.

Calendar No. 644, House bill 6287, the renegotiation bill.

Calendar No. 1931, Senate bill 2559, the copyright bill.

Calendar No. 1952, House bill 5420, the patent bill.

Calendar No. 1315, Senate bill 2910, providing for the creation of certain United States judgeships.

Calendar No. 1774, House bill 7815, re-

lating to the Cougar Dam.

Calendar No. 1773, Senate bill 3134, relating to the Talent Division of the Rogue River Basin reclamation project. Calendar No. 1749, Senate bill 880,

amending the license law of the District of Columbia.

Calendar No. 1830, House bill 3300, relating to control of the level of Lake Michigan.

Calendar No. 1797, Senate bill 2601, providing Federal financial assistance in the construction of public elementary and secondary school facilities.

Calendar No. 1801, House bill 2235, for the construction of the Santa Maria

project, in California.

Calendar No. 1802, House bill 4213, authorizing works for water supplies in the Central Valley project.

Calendar No. 1803, Senate bill 620, providing authorization for certain uses

of public lands.

We also expect to have, either tomorrow or Thursday, the conference report on the housing bill; and, I hope, by the end of the week, the conference report on the tax bill.

We shall not have another calendar call, in all probability, until we have completed action on the following proposed legislation: the farm bill and foreign-aid bill. I would expect we would have 1 or possibly 2 more calendar calls before adjournment sine die.

I wished to give this notice to the Senate as far in advance as possible.

We have not been able to obtain a unanimous-consent agreement regarding a vote on the pending bill. I am about to move that the Senate take a recess tonight until tomorrow morning, at 10 o'clock.

I have understood from the discussions on the other side of the aisle that the general belief is that we can do some voting on the amendments—and I hope on the bill itself-tomorrow. I hope we can complete action on the pending legislation by this time tomorrow night. think it is only fair to advise the Senate. however, that I have requested the Sergeant at Arms to prepare cots for tomorrow evening; and that, if necessary, we shall be prepared to run through tomorrow night to complete action on the pending legislation.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Tennessee.

Mr. GORE. Some of us who have been very much interested, and who have remained very much interested in the enactment of the Anderson amendment have given to the distinguished majority leader a gentleman's agreement to assist in reaching a vote upon that amendment and the issue presented by that amendment and the Ferguson amendment tomorrow.

I respectfully suggest to the majority leader, however-though perhaps he needs no suggestion from the junior Senator from Tennessee—that there are many far-reaching and important provisions in this 104-page bill. Action upon the Anderson amendment tomorrow may indicate the need for a more

intensified consideration of the bill.
Mr. KNOWLAND. Mr. President, earlier this evening I suggested to the Senator that if the distinguished Senator and other Senators associated with him in his endeavors wanted the vote on the Ferguson amendment and the various corollary amendments to go over until tomorrow I would certainly not object to that, though I think it is a little unreasonable to require 95 other Members of the Senate to sit through another day because, perhaps, some Senators have found it inconvenient to be present today.

I suggested to the Senator from Tennessee that under those circumstances it seemed to me to be not unreasonable, if the Ferguson amendment is withdrawn, together with other primary and highly controversial amendments, to expect a vote on any one of half a dozen or more

other amendments today. However, I could obtain no assurance from the Senator from Tennessee or other Senators associated with him that if we did so, we could do any voting. As I suggested earlier today, we have a very heavy program. As many Members on the Democratic side of the aisle as on the Republican side of the aisle have pointed out to me the importance of the farm program. There are those who believe in fixed 90-percent parity and those who believe in flexible parity.

Many Senators have also pointed out the critical international situation facing the country in connection with the foreign-aid bill, the situation confronting us in connection with the extension of the unemployment compensation provisions and social security coverage, the importance of the tax bill, the housing bill, and the bill relating to the Upper Colorado River Basin. There are a great many other matters of considerable concern, including some purely local bills.

As I pointed out last night, sorry as I am to say it, each day that passes makes it less likely that some of the other bills, not of major magnitude, will be considered or passed at this session, and unfortunately they must die on the calendar when the Congress adjourns sine

Under all the circumstances, the distinguished minority leader and the great majority of Senators on the other side of the aisle have cooperated very wonderfully in the program up to date. I hope we may have full cooperation in expediting the consideration of the pending legislation, so that we can give consideration to other measures.

In fairness, I will say to the Senator that I believe work on the pending bill can be completed tomorrow, but it may be necessary to run through most of the evening and into the morning.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. GORE. I hope the Senator does not think the junior Senator from Tennessee was in any way seeking to be offensive, and I hope he did not prove to be so in rising to suggest to the distinguished majority leader that there are some 20 amendments pending at the desk to the most important bill to be considered at this session of Congress.

As an example, I hold in my hand an amendment presented by the distinguished senior Senator from Colorado [Mr. Johnson], an amendment which is of vast importance to the country.

I rose merely to suggest to the distinguished majority leader that it appeared to at least one new Member of this body that it would be unreasonable haste to consider all other amendments to this very important bill in one all-night session. Perhaps the majority leader can accomplish his goal, but I must say that in the opinion of the junior Senator from Tennessee it would not accord to this important bill and these twentyodd amendments the adequate consideration which I believe they require and which I believe the country is entitled to have.

Mr. KNOWLAND. I am glad to have the Senator's views.

Mr. President, will Mr. FERGUSON. the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, I have heretofore sent to the desk an amendment which was the pending question, on page 80, line 9. I wish to modify that amendment by adding certain language at the end thereof.

The PRESIDING OFFICER. The Senator is entitled to modify his amendment.

Mr. FERGUSON. I modify my amendment by adding the following language at the end thereof:

Any contract hereafter entered into by the Commission pursuant to this section shall be submitted to the joint committee and a period of 30 days shall elapse while Congress is in session (in computing such 30 days there shall be excluded the days in which either House is not in session because of adjournment for more than 3 days) before the contract of the Commission shall become effective: Provided, however, That the joint committee, after having received the proposed contract, may by resolution in writing, waive the conditions of or all or any portion of such 30-day period.

So as to make the amendment read: On page 80, line 9, insert the following:

"The authority of the Commission under this section to enter into new contracts or modify or confirm existing contracts to provide for electric utility services includes, in

case such electric utility services are to be furnished to the Commission by the Tennessee Valley Authority, authority to contract with any person to furnish electric utility services to the Tennessee Valley Authority in replacement thereof. Any contract hereafter entered into by the Commission pursuant to this section shall be submitted to the joint committee and a period of 30 days shall elapse while Congress is in session (in computing such 30 days, there shall be excluded the days in which either House is not in session because of adjuornment for more than 3 days) before the contract of the Commission shall become effective: Provided, however, That the joint committee, after having received the proposed contract, may by resolution in writing, waive the conditions of or all or any portion of such 30 day period."

I send to the desk the original language, together with the modification, and ask that the amendment be modified in that way.

The PRESIDING OFFICER. amendment is modified accordingly.

Mr. ERVIN. Mr. President, I withdraw my amendment, as a substitute for the Ferguson amendment, inasmuch as the Senator from Michigan has modified his amendment to read the same as mine.

Mr. ANDERSON. Mr. President, do I correctly understand that the Senator from Michigan has now had his modified amendment made the pending question?

Mr. FERGUSON. That is correct. Mr. ANDERSON. I congratulate the Senator from Michigan. I congratulate the junior Senator from North Carolina [Mr. ERVIN], who is very much interested in this question.

I am offering my amendment, as I propose to modify it, as a substitute for the modified amendment of the Senator from Michigan.

The PRESIDING OFFICER. How does the Senator from New Mexico wish to modify his amendment?

Mr. ANDERSON. I do, by striking out, on the first page, lines 1 through the middle of line 7, ending with the word "party," and, after line 11 on page 2, to strike out lines 12 through 16.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. Let me explain my amendment. I take the language which the Senator from Michigan has just added to his amendment and incorporate it in my amendment. I modify my amendment by striking out certain language, leaving in it only the requirement that this service shall be given directly. As the Senator from Michigan pointed out the other day, this will prevent a direct conflict between these two amendments.

Then I shall move the amendment as a substitute for the amendment of the Senator from Michigan, which would give us an opportunity to dispose of this matter. I believe that would result in saving a great deal of time.

Mr. KNOWLAND. As I understand, the Senator has first modified his own amendment, which, of course, he has a right to do, just as the Senator from Michigan [Mr. FERGUSON] has done. Then the Senator from New Mexico is offering his amendment, as modified, as a substitute for the amendment offered

by the Senator from Michigan [Mr. Ferguson], which is the pending amend-ment. That in turn will make the ment amendment of the Senator from New Mexico the first order of business. that correct?

Mr. ANDERSON. The able majority leader has stated the situation exactly. I have removed from the amendment those portions which would not be directly applicable. For example, my amendment originally contained a phrase referring to cancellation clauses, and there was also a reference to in-Those provisions have been come tax. deleted. The amendment is now brought down to the language suggested by the Senator from Michigan [Mr. FERGUSON], as originally submitted. Then the additional language which he has added is identical with the language in my amendment, except for the language at the bottom of page 2. That will give us a chance to act directly on the subject and thereby give a directive to the Atomic Energy Commission to proceed, if it is to proceed, or not to proceed. However, it offers a direct test.

I appreciate very much the cooperation of the majority leader and the Senator from Michigan in making such a direct test possible.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I wish to inquire of the Senator from New Mexico whether he has changed the word on page 2, line 6.

Mr. ANDERSON. I appreciate very much the Senator from Iowa calling that to my attention. He and I had a discussion on that point. I have failed to modify the amendment in that respect. On page 2, line 6, the word "thirty" should be changed to read "three."

I appreciate the Senator's calling that point to my attention.

Mr. KNOWLAND. Mr. President, in order to keep the parliamentary record straight, if it has not been done soand I do not believe it has been done-I believe the amendment, as modified, offered by the Senator from New Mexico should be stated.

The PRESIDING OFFICER. The Secretary will state the amendment, as modified.

The LEGISLATIVE CLERK. On page 80. line 9, it is proposed to insert the follow-

The authority of the Commission to enter into contracts for electric utility services shall extend only to contracts with persons who agree to supply the contractual amount of electric utility service directly to the installations of the Commission named herein. Any contract hereafter entered into by Commission pursuant to this section shall be submitted to the joint committee and a period of 30 days shall lapse while Congress is in session (in computing such 30 days, there shall be excluded the days in which either House is not in session because of adjournment for more than 3 days) before the contract of the Commission shall become effective: Provided, however, That the joint committee, after having received proposed contract, may by resolution in writing, waive the conditions of or all or any portion of such 30-day period.

Mr. ANDERSON. As I understand, my substitute amendment is now the pending question.

The PRESIDING OFFICER. Yes; the substitute amendment of the Senator from New Mexico [Mr. Anderson] is now the pending question.

Mr. KNOWLAND. Mr. President, I shall be glad to yield for insertions in the RECORD. Then I shall move that the Senate stand in recess.

SUBSIDY REQUIREMENTS OF CERTAIN UNITED STATES AIR CARRIERS

Mr. BRICKER. Mr. President, on the 6th day of July, 1954, at page 9710 of the Congressional Record, I inserted a letter from the Honorable Chan Gurney, Chairman of the Civil Aeronautics Board, in answer to a letter from the Postmaster General of the United States with regard to a \$50 million estimated offset in airline subsidy payments.

The original letter from the Postmaster General was inserted in the Record by the Senator from West Virginia

[Mr. KILGORE].

Mr. President, I ask unanimous consent to have printed in the body of the Record at this point, as a part of my remarks, a letter from the Honorable Arthur E. Summerfield, Postmaster General, in regard to his previous estimate that \$50 million may be offset in airline subsidy payments as a result of the recent Supreme Court decision in the Chicago and Southern case, decided February 1, 1954.

This letter of the Postmaster General was written at my request following a hearing of the Committee on Interstate and Foreign Commerce on S. 3426. The Postmaster General was requested to reconcile the issues raised by his previous letters and the letter of the Honorable Chan Gurney, Chairman of the Civil Aeronautics Board, which I inserted in the Congressional Record on July 6,

1954, on page 9710.

The Postmaster General's offset estimates are based upon the maximum claims of the airlines seeking subsidy in proceedings presently pending before the Civil Aeronautics Board and covering past years. The Postmaster General is a party to these pending proceedings and properly scrutinizes and challenges the claims made by applicants for subsidy. It is common practice for the airlines to make exaggerated claims, and the Postmaster General properly recognizes that his estimates are based upon these claims and that they may be denied in whole or in part by the Civil Aeronautics Board after hearing an argument.

The Postmaster General's letter clarifies a second important point; namely, that the \$50 million he estimates may be offset in airline subsidy payments relates to past rate periods and has nothing to do with the appropriation estimates for the fiscal year 1955. He points out that "the amount of subsidy that may be involved in the future under the Supreme Court ruling is a matter for the Civil Aeronautics Board, which now has the responsibility for making subsidy payments" under the President's Reor-

ganization Plan No. 10, effective October 1, 1953.

The Supreme Court decision and the added responsibility given to the Board by the President's reorganization plan have introduced new and complex issues in the pending mail rate proceedings of the Civil Aeronautics Board. A review of their practices and procedures in determining mail rates and subsidy payments may well be in order, as well as the adequacy of the statutory standards under which the Board is proceeding. I intend to discuss these matters with the chairman of the Senate Appropriations Committee at an early date.

Mr. President, I believe the letter of the Postmaster General, which I have asked to be inserted in the Record, clarifies much of the airline subsidy offset issue raised by previous letters already inserted in the Record, and again emphasizes the complexity of the problems pending before the Board in airline mail rate proceedings.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Office of the Postmaster General,
Washington, D. C., July 13, 1954.

Hon. John W. Bricker,
Chairman. Senate Committee on Inter-

Chairman, Senate Committee on Interstate and Foreign Commerce, United States Senate,

Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in reply to your letter of July 8, wherein you asked that I review the entire matter concerning my estimate of approximately \$50 million asserted to be involved in the issue of offsetting excess earnings of certain air carriers as a result of the recent Supreme Court decisions of February 1, 1954. You also asked that I furnish your committee with a reconciliation of my estimates with those furnished by the Honorable Chan Gurney, Chairman of the Civil Aeronautics

Finally you request any further comments which may be deemed desirable.

BACKGROUND

Board, in his letter to you of July 1, 1954.

The above-mentioned Supreme Court cases arose under the following circumstances. In 1948, the Board fixed a final future mail rate for Chicago & Southern's (C. & S.) domestic operations, which rate the Board estimated would yield a net return, after taxes, of 7.4 percent on that part of the carriers in estment allocable to those domestic operations. The following 3 years—1948, 1949, 1950—C. & S.'s domestic division obtained total revenues of at least \$654,000 in excess of the 7.4 percent rate of return.

C. & S. also operated a Latin American division. In 1951 for C. & S.'s Latin American operations, the Board fixed subsidy rates retroactively from November 1, 1946, to December 16, 1950, and prospectively from December 16, 1950. In fixing these subsidy rates for the Latin American division, the Board refused the request of the Postmaster General to offset against the carrier's subsidy need for this Latin American division the excess earnings of its domestic division mentioned above. On the Postmaster General's petition for review, the Court of Appeals reversed the Board (207 F. 2d 207, May 4, 1953). The Board and the carrier sought and were granted certiorari by the Supreme Court; but the Court ruled against them and affirmed the lower court's decision. C. A. B. (and Delta as successor by merger to C. & S.) v. Summerfield, Postmaster General (347 U. S. 74, Feb. 1, 1954).

In so ruling, the court referred to section 406 of the Civil Aeronautics Act by which

the Board is directed to fix mail rates and pointed out that the subsidy "need" provision of section 406 (b) provides that the Board in determining those rates "shall take into consideration * * * the need of each such air carrier for compensation * * * to gether with all other revenue of the air carrier." The court stated that the act thus poses as the initial question for the Board whether the financial condition of the carrier is such that it needs a subsidy or has no need for one. The court also stated that the standard is "the need of each such air carrier" and that the "need" of the carrier is measured by the entirety of its operations, not by the losses of one division or department. The court pointed out that since the Board did not construe and apply the act in that manner, the lower court was correct in reversing the Board's rate order.

While this C. & S. case was pending before the courts, the Postmaster General asserted, by various legal documents, the same principle in other mail-rate proceedings before the Board. These proceedings also involve carriers having two or more divisions where excesses over a fair return were realized in one division while subsidy was being claimed in the other division. Progress on these latter proceedings have been held up at various stages by the Board pending the outcome of the Supreme Court decision.

SENATOR KILGORE'S REQUEST TO THE POST-MASTER GENERAL

Approximately 21/2 months after the Supreme Court decision was handed down, Senator KILGORE sent a letter to the Postmaster General. In his letter, Senator Kilgore wished to be advised whether a certain statement by Congressman Gary was correct, especially "his itemization of various briefs, exceptions, and other legal documents filed by you totaling approximately \$35,034,000." The statement of Congressman Gary may be found in the Congressional Record of March 3, 1954, at page 2603. Congressman Gary in that statement set forth the names of six CAB proceedings wherein the Postmaster General had filed legal documents which contained assertions of substantial amounts of money involved on the same principle as decided by the Supreme Court on February 1, 1854. Congressman Gary totalled those claims and found them to be \$35,034,000. Senator KILGORE asked for verification of those totalled claims. In the letter of reply, the Postmaster General stated that the figure does represent the totalization of the claims previously asserted by the Department in the proceedings mentioned.

Senator KILGORE also requested information concerning excess earnings for periods other than those covered in the documents mentioned by Congressman Gary and finally, he requested a list of the airmail payments claimed by the carriers or proposed in such dockets. This information was supplied by the Postmaster General in his letter of June 5. The letter stated that the Department was asserting claims of approximately \$15 million in addition to the previous mentioned claims of \$35 million. The Postmaster General's letter also stated that these additional claims were set forth on the basis of information presently available to the Department, and involved various rate periods all prior to July 1, 1954, the commencement of fiscal year 1955.

It was not intended by the Postmaster General that by listing these claims for past rate periods any inference should be drawn that the same amount of money could thereby be asserted prospectively for fiscal 1955. The Post Office Department did not attempt to estimate air-carrier earnings prospectively, and did not state that any of the carriers involved in these claims would continue to have excess earnings for the future fiscal year 1955.

POSTMASTER GENERAL'S LETTER TO SENATOR BRICKER

Subsequently upon your request, the Postmaster General by letter of June 18, 1954, made a report on S. 3426, a bill "To amend subsection 406 (b) of the Civil Aeronautics Act of 1938, as amended." In the letter it was stated that "the Post Office Department is opposed to the bill because it would have the effect of nullifying the airmall subsidy rate-making principle presently embodied in section 406 (b) as interpreted by the Supreme Court in its decision of February 1, 1954, in C. A. B. v. Summerfield, Postmaster General, supra." The Department set forth the fact that the bill would effect other pending Board proceedings for past rate periods where the issue of excess earnings had also been raised by the Department. It was also stated:

"Since these proceedings have not yet reached the Board for final determination, the exact amount of public funds embodied in the issue cannot be stated with finality. However, on the basis of available data for past rate periods ending December 31, 1953, the Department has asserted that a total of approximately \$50 million is involved in the issue of offsetting excess earnings.

The Department thus called specific attention to the fact that these proceedings involved past rate periods and thus did not involve any rate period in fiscal 1955. Furthermore, the letter stated that the exact amount involved and the final dollar offsets could not be presented at the present because the Board has not yet made final determinations in these cases. The Department however believed that some indication should be given to your committee as to the amounts of excess earnings available for offset, in the opinion of the Postmaster General, in these rate proceedings. It should be recognized that such claims of the Postmaster General may be upheld or denied, in part or in whole by the Board in its final determination after hearing and argument. It should be pointed out, however, that on the basis of available facts and the present status of the pending cases the Department believes that the claims of the moneys involved are justifiable.

JULY 1, 1954, LETTER FROM CHAIRMAN OF THE CIVIL AERONAUTICS BOARD TO SENATOR BRICKER

At the hearing on S. 3426 Senator BRICKER requested the Civil Aeronautics Board to submit written comments regarding Postmaster General's letter to Senator Kil-GORE, mentioned above. The Chairman of the Board, Mr. Gurney, by letter of July 1, 1954, has made such comments. This letter has been reproduced in the Congressional RECORD of July 6, at pages 9710-9712. The Chairman of the Board states that "no one can presently eliminate the uncertainty that stems from the fact that the mail-rate cases to which the ruling of the Supreme Court in the C. & S. case is to be applied are pending before the Board and will not be concluded for some time." The Chairman properly refrained from setting forth his or the Board's opinion of the proper amounts of the offsets to be applied in each of the cases mentioned by the Postmaster General. To do so at this time would be to prejudge the cases before all procedural steps had been taken.

Item No. 1 of Mr. Gurney's letter deals with the Board's request for appropriations for fiscal year 1955. Since the claims being asserted by the Postmaster General relate to past periods the Postmaster General would have no reason to attempt to project those claims into fiscal 1955. To reemphasize these claims made by the Postmaster General in Board proceedings do not refer to the fiscal year 1955 but to prior fiscal years. Item 2 of Mr. Gurney's letter also refers

Item 2 of Mr. Gurney's letter also refers to the Board's appropriation request for fiscal 1955 and sets forth his comments on

whether or not there would be excess earnings in this future year. It is not believed necessary or proper for the Postmaster General to comment on that aspect.

With respect to item 3 of Mr. Gurney's letter, the Post Office Department agrees that there are wide differences between the parties to these past rate proceedings, both in theories and the amounts of money involved in the offset issue. In this connection, Mr. Gurney stated, "* * * the Post Office contends that where a carrier has excess earnings in one year and a deficiency in another year, both years being in the open-rate period, the Board should offset the excess earnings but should ignore the deficiencies."

This statement was made without benefit of the Post Office Department's brief in the Transatlantic Mail Rate Case filed June 30, 1954.

It is not the Department's position that the Board should offset the excess but ignore the deficiencies. Rather, it is the Department's position that reported losses should be taken into account only after the Board has determined the amount of such losses to be underwritten under the statutory test of honest, efficient and economical management, as set forth in section 406 (b) of the act. In other words, the reported losses must first be screened under these standards before they can be considered in connection with grants of subsidy. In the absence of such screening the Department does not believe that the Board should or can recognize reported losses. The Board's letter of July 1 overlooks this phase of the Department's position which was set forth in the Depart-

ment's brief filed June 30.

In the Department's brief in the Transatlantic Mail Rate case, filed June 30, 1954, its position with respect to TWA's past rate period from February 5, 1946, through 1953, is summarized at page 19, essentially as follows: For the period 1951-53, TWA's domestic division realized earnings that exceed an 8-percent return by an amount computed to be \$27,044,000, after making proper adjustments for Federal income tax The Board should offset such exliability. cess against TWA's claimed subsidy need in its international operations. For the earlier period, March 14, 1947, through 1950, the losses reported by TWA for its domestic division were considered by the Board in a proceeding concluded in 1951, wherein the Board granted the carrier the amount of subsidy which it determined to be required under under the test of honest, efficient, and economical management. The subsidy payments made by the Department to TWA pursuant to that decision amount to approximately \$20 million. Therefore, the Department is now contending that the losses of 1947-50 have already been screened and the Board has granted the subsidy needed for this period under the standards of the act. Thus, the deficiencies of 1947-50 cannot now be asserted again to decrease the excess profits above mentioned.

TWA had also reported a loss for its domestic division for the period February 5, 1946, to March 14, 1947. The Department contends that these claimed losses, incurred after mail payments of over \$3 million, should not be employed to decrease the above-mentioned excess earnings until such time as the Board obtains sufficient evidence to enable it to determine whether the losses were properly incurred under the statutory standards of honest, efficient, and economical management. This determination has not been made.

Mr. Gurney also comments on the fact that counsel for the Bureau of Air Operations of the Board is contending for almost a million dollars more by way of offset against Pan American in the pending transatlantic mailrate proceedings than the Post Office asserts. On the basis of our figures to Senator Kilgors, his statement is correct. In that trans-

atlantic proceeding the Board's own staff is claiming that there are several million dollars of excess earnings realized both by Pan American and TWA which should be applied against the carriers' subsidy needs.

With respect to item 4 of Mr. Gurney's letter, the Department agrees that the entire \$50 million available for offset may not be so applied or "recaptured" after the Board makes its final determinations in the various cases. It depends entirely on the finalizations of the various computed subsidy needs of the carriers calculated on a divisional basis and the amounts available for offset. For instance, using Mr. Gurney's hypothetical example, if it is to be assumed that there has been a final determination that the carrier's international operation, on a divisional basis, needs \$5 million in subsidy, then only \$5 million of the \$10 million excess from the domestic division would be applied as an offset against the need. But until the final determinations have been made by the Board, the Department believes it to be in the best interests of the taxpayers to present and assert the entire amounts of excess that are available for offset. In the hypothetical example the amount so involved and available would be the \$10 million excess. But in the actual examples of TWA and Pan American, the amounts asserted by the Department as available for offset are far less than the total subsidy mail payments proposed by the Board's examiner for the international operations-\$87 million for Pan American, and \$63 million for TWA, as shown in my letter of June 5 to Senator KILGORE.

The other statement made by Mr. Gurney in connection with United Airlines would also be correct if it were to be assumed that the Board has actually made those determinations. But, again, United has made a total subsidy claim of approximately \$14½ million, subject to further amendments. The Board has not yet acted. Under the circumstances the Department asserts that there are \$15,857,000 available for offset.

Thus, if United's claim remains unchanged and if the Board were to approve it on a divisional basis, the Department's position would be:

United's Hawaiian claim, \$14,595,503; mail services rendered and paid, \$1,600,052; balance due as subsidy, \$12,995,451. But Post Office claims there are the following earnings in excess of an 8-percent return from United's domestic division available for off-set against its subsidy need, \$15,857,000; net subsidy due United, none. Post Office has already paid United-Hawaiian under temporary orders, total, \$2,626,918, of which service mail pay is \$\$-\$1,600,052\$. Balance already paid as temporary subsidy, \$1,026,866\$.

Therefore the Department would claim that United should repay the \$1,026,866 to the Department as subsidy paid on account, and not actually warranted under the above situation. Hearings on United's claim are tentatively scheduled by the Board for next month. Any changes in United's claims or proposed Board's allowances would correspondingly change the computations above.

If, however, S. 3426 were approved, the Post Office Department would not be permitted to assert the offset principle, and, using the above computation, the Department would be ordered by the Board to pay United \$12.995,451 less \$1,026,866 already paid, or \$11,968,585 as subsidy for the past period April 30, 1947, through August 7, 1952.

The Department also agrees with Mr. Gurney's statement made in connection with Delta Airlines, again assuming, as Mr. Gurney does, "if the Board should ultimately find after hearing." But apparently Delta does not now agree or accept the estimated excess profits of \$954,000 for its domestic operations because Delta states its earnings are below the Board's forecast for 1953-54.

If that is the case, the subsidy requirement estimate of \$730,000 for the Latin American operation may also have to be increased. See Delta's letter to the Postmaster General, dated June 22, 1954, page 3, which letter has been offered by Delta by way of a printed statement (p. 5) of Mr. Erle Cocke, Jr., presented July 8, 1954, to your committee on S. 3426.

With respect to the attachment of Mr. Gurney's letter (also reproduced in the CONGRESSIONAL RECORD of July 6, 1954, pages 9711-9712), it appears to be a summary of the effect of the Supreme Court decision on offsets for the future year July 1, 1954-June 30, 1955, fiscal year 1955.

First, the Department, as previously stated, has not asserted any offset claims against any carrier for that future period. The Department has not attempted to estimate whether any excess earnings will be available for fiscal 1955. Reorganization Plan No. 10 of 1953 has relieved the Department of the responsibility of paying subsidies as of October 1, 1953. The Department therefore, if requested, would accept the Board's estimate of projected results for the future fiscal year 1955 on the subsidy offset principle.

Secondly, the Department reads the Board's estimates for fiscal 1955 as in no way affecting or prejudging the Department's claims of excess earnings of the various carriers for the past fiscal years mentioned in the Postmaster General's letter of June 5, 1954, to Senator Kilgore. For example, the attachment does not include United, as mentioned in the footnote to the attachment. Again, the estimate does not mention the Postmaster General's claim against Braniff for the periods prior to January 1, 1954. Likewise the Department does not read the reference to TWA as a prejudgment of the amount available for offset in the calendar year 1953 to be only \$1,500,000.

Finally, the Board's estimates of the service mail pay for fiscal 1955 are not understood to be a prejudgment of the final proper service mail rates for 1955 presently under consideration by the Board in pending proceedings for various domestic overseas and international carriers.

In conclusion, the Department wishes to state that it realizes that the computations involved in the offset principle can be made complex and that there are controversies as evidenced by the pending cases, just as there always are controversies on money claims. The principle, however, is simple and fair, as shown by the unanimous opinion and decision of the Supreme Court on this and related matters—"If, the carrier's treasury is lush, the 'need' [for subsidy] decreases * * *."

This matter demonstrates rather forcefully the importance of the President's Reorganization Plan No. 10, separating subsidy from mail payments, which was approved by Congress, effective October 1, 1953. In addition to relieving the postal service of the burden of making subsidy payments, one of the principal purposes of this plan was to identify separately the amount of the appropriations to be made by Congress for subsidy purposes.

Before this plan became effective, subsidy payments were made by the Post Office Department. The amount in question here covers past rate periods for which the Department has the responsibility of paying such subsidies. The amount of subsidy that may be involved in the future under the Supreme Court ruling is a matter for the Civil Aeronautics Board which now has the responsibility for making the subsidy payments.

The Post Office Department would be remiss in its duties to the public if it did not closely scrutinize the amount to be charged

to it for the past rate periods under the Supreme Court's interpretation of the law.
Sincerely yours,

ARTHUR E. SUMMERFIELD, Postmaster General.

ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, if there are no further remarks or insertions to be made in the RECORD, before I make a motion to recess, I would respectfully request the cooperation of Senators on both sides of the aisle to be in the Chamber promptly at 10 o'clock tomorrow morning. I know that committee meetings are scheduled for 10 o'clock in the morning, but if Senators attending such meetings will come to the Chamber on the first roll call at 10 o'clock they may again leave to attend the committee meetings. In that way we may save a great deal of time, instead of holding up the Senate for a lengthy quorum call.

Mr. BRICKER. Mr. President, is it the desire of the majority leader that we have no committee meetings after 10 o'clock?

Mr. KNOWLAND. I would say to the Senator from Ohio that I would not want to suggest an invariable rule to that effect. In some instances it might be urgent that a committee hold a hearing. However, if a meeting can be postponed from tomorrow to the following day, I believe, in view of the fact that we will be voting tomorrow—and undoubtedly there will be a number of quorum calls—there will be few if any committee meetings held tomorrow.

Mr. BRICKER. I thank the Senator.

DEATH OF FORMER SENATOR BLAIR MOODY, OF MICHIGAN

Mr. FERGUSON. Mr. President, it is with deep feeling of sadness that I announce the death of my former colleague from Michigan, Blair Moody. I know that the Senate receives this news with profound sorrow. I am sure we all extend our sympathy to the family and the many friends of Blair Moody in Michigan.

RECESS TO 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I move that the Senate stand in recess until 10 o'clock a.m., tomorrow.

The motion was agreed to; and (at 9 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 21, at 10 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 19 (legislative day of July 2), 1954:

UNITED STATES DISTRICT JUDGES

Emett C. Choate, to be United States district judge for the southern district of Florida. (New position.)

Fred M. Taylor, to be United States district judge for the district of Idaho. (New position.)

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 20, 1954

The House met at 11 o'clock a. m.
The Chaplain, Rev. Bernard Braskamp,
D. D., offered the following prayer:

Almighty God, our heavenly Father, who hast revealed unto us the way of blessedness, we are again calling upon Thy great and holy name for by Thy power we are sustained and strengthened to meet and discharge our tasks and responsibilities with quietness and confidence with renewed energy and hope.

Help us to appreciate more fully how greatly we need divine wisdom and guidance and that Thou hast placed at our disposal the inexhaustible resources of Thy grace.

Grant that daily we may hear and heed Thy voice for the ways which Thou hast marked out for us are the ways of pleasantness and peace.

Encourage us with a clear vision of the final triumphant fulfillment of our loftier hopes and aspirations for the Lord God omnipotent reigneth and of His kingdom of righteousness and justice there shall be no end.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill and concurrent resolution of the Senate of the following titles:

S. 3197. An act to authorize the acceptance of conditional gifts to further the defense effort; and

S. Con. Res. 80. Concurrent resolution to print additional copies of Senate Document 87, Review of the United Nations Charter—A Collection of Documents.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills and a joint resolution of the House of the following titles:

H. R. 303. An act to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes; H. R. 7434. An act to establish a National

H. R. 7434. An act to establish a National Advisory Committee on Education;

H. R. 7601. An act to provide for a White House Conference on Education;

H.R. 8571. An act to authorize the construction of naval vessels, and for other purposes;

H. R. 9040. An act to authorize cooperative research in education; and

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3344) entitled "An act to amend the mineral leasing laws and the mining laws to provide for multiple mineral development of the same tracts of the public lands, and for

other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MILLIKIN, Mr. WATKINS, Mr. BARRETT, Mr. Murray, and Mr. Anderson to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. CARLson and Mr. Johnston of South Carolina members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 55-2.

AUTHORIZING SECRETARY OF AG-RICULTURE TO COOPERATE WITH STATES FOR SOIL CONSERVATION

Mr. HOPE submitted a conference report and statement on the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

CREEPING SOCIALISM

Mr. CLARDY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CLARDY. Mr. Speaker, there are those who think that the advent of socialism will be heralded with banners and beating drums. There are those who believe that the coming of socialism will be advertised in screamer headlines and blowing sirens. Nothing could be further from the truth. Such folks are deceiving themselves and the Nation. Socialism will sneak up on us graduallyas it has been for some time. But we can be beguiled into taking longer steps in that direction if we are not careful.

Last Sunday the New York Times carried an article in which Bernard M. Baruch was quoted as demanding an immediate congressional action to grant to unnamed bureaus and departments the power to socialize this Nation overnight. Mr. Baruch does not put it in so many words, but that is the plain meaning of what he says.

His is indeed an odd way of saving our system of free enterprise. He wants to save it by embracing all of the Socialists' program for regimenting the entire Nation.

Surely experience has taught us that a handful of bureaucrats in Washington are not wiser than the collective judgment of all our people. Surely experience has shown us that the way to wreck our system of a free economy is to subject it to more and more Government control. If we have not learned that then the case for free enterprise is hopeless.

Mr. Baruch wants us to enact a program that will give the bureaucrats power to hold down wages along with the

power to regulate every other phase of the economy. Rationing and all the things that go with it are included in his program—his is a program for the complete socialization of the Nation at

Just when would he put the program into operation? It is there that he becomes vague and uncertain. But he makes it obvious that he wants this power to be exercised the moment someone he leaves unnamed becomes apprehensive about what may happen. He says that the regulation should be less severe for a situation such as military intervention in southeast Asia than in an all-out war. I wonder who would make the decision as to when we must become completely socialized? And just what will trigger that decision? Will it merely require someone to say he thinks an emergency is about to start?

It is obvious he does not want the Congress to have anything to say about when the regimentation of socialism shall commence-or the extent of that socialization. He exhibits a complete faith in bureaucrats and a complete lack of confidence in the representatives of the people. In that direction lies dictatorship.

But he reaches the height of absurdity when he says:

Controls would last only as long as they were required—certainly for the duration of the emergency and for a sufficient time thereafter to permit a proper readjustment.

Just how optimistic about the removal of these things can you get?

We have been living in a period of socalled emergency for years. I wonder just what further events must take place before he would have the bureaucrats clamp on the stranglehold? And I wonder who would decide when the so-called emergency and "a sufficient time thereafter for readjustment" had elapsed? Under his theory it would certainly not be Congress. Has he learned nothing from experience about how it becomes politically impossible to unshackle ourselves from bureaucratic controls? If these folks have their way the time will never come when controls are not needed.

Why must we be forever threatening ourselves with destruction from within? Does he think for 1 minute that business and industry can make long-range plans with the sword of Damocles forever hanging over their heads? Has he completely lost faith in the ability of the free enterprise system to weather the storms of everyday life? And how much of a breeze does he think must develop before the bureaucrats will call it a cyclone? Does he have more faith in the ability of a handful of little men to tell all of us what to do than he does in the combined genius of our people and our

He makes the astonishing suggestion that by threatening ourselves with complete socialization we will somehow or other deter our only enemy from commencing an all-out war. Has he forgotten that it is the aim and purpose of that enemy to socialize us? Does he not realize that our enemy wants us to become socialized as a necessary step in transition to full communization?

He says that the next war may come in a big smash-and he asks where Congress will be? If it is going to be that bad there will not be any bureaucrats left to put these chains on our wrists. They will perish right along with the Congress. What he really means is that Congress may not be persuaded to fully regiment our people overnight. He thinks that would be bad.

But back of all of this talk about allout war is to be discerned the real motive. What he wants and what those who think like him want is something on the books that will enable the Socialist-minded people in our midst to take over whenever they think the opportune moment has arrived. Anything will be a "crisis" to them-all they want is the excuse to take over.

It would be the supreme folly of our time if we should adopt his suggestion that we speed up the process of socializing ourselves. It would be the greatest mistake in our history if we should now abandon all hope and surrender our ideals and principles. I cannot subscribe to his policy of despair.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the calendar.

ANNA URWICZ

The Clerk called the bill (S. 552) for the relief of Anna Urwicz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Anna Urwicz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHUAN HUA LOWE AND HIS WIFE

The Clerk called the bill (S. 997) for the relief of Chuan Hua Lowe and his wife.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GIUSEPPI CLEMENTI

The Clerk called the bill (H. R. 7924) for the relief of Giuseppi Clementi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the

Immigration and Nationality Act, Giuseppi Clementi may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, strike out "have" and insert "had."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DINA MIANULLI (NEE KRATZER)

The Clerk called the bill (H. R. 7925) for the relief of Mrs. Dina Mianulli (nee Kratzer).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Dina Mianulli (nee Kratzer) may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 10, strike out "have" and insert "had."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELMUT CERMAK AND HANA CERMAK

The Clerk called the bill (H. R. 8334) for the relief of Helmut Cermak and Hana Cermak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Helmut Cermak and Hana Cermak shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DONKA KOURTEVA DIKOVA AND HER SON NICOLA MARIN DIKOFF

The Clerk called the bill (S. 95) for the relief of Mrs. Donka Kourteva

Dikova (Dikoff) and her son Nicola Marin Dikoff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Mrs. Donka Kourteva Dikora (Dikoff) and her son Nicola Marin Dikoff shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BETTY THORNTON OR JOZSEFNE TOTH

The Clerk called the bill (S. 98) for the relief of (Mrs.) Betty Thornton or Jozsefne Toth.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Mrs. Betty Thornton or Jozsefne Toth shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO CRACCHIOLO

The Clerk called the bill (S. 102) for the relief of Francesco Cracchiolo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Francesco Cracchiolo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHRISTOPHER F. JAKO

The Clerk called the bill (S. 110) for the relief of Christopher F. Jako.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Christopher F. Jako shall be held and considered to have been lawfully admitted to

the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YVONNE LINNEA COLCORD

The Clerk called the bill (S. 203) for the relief of Yvonne Linnea Colcord.

There being no objection, the Clerk read the bill. as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Yvonne Linnea Colcord may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DEAN S. ROBERTS (NEE BRAUN)

The Clerk called the bill (S. 222) for the relief of Mrs. Dean S. Roberts (nee Braun).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Dean S. Roberts (nee Braun) may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERRIT BEEN

The Clerk called the bill (S. 246) for the relief of Gerrit Been.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (9) and (10) of section 212 (a) of the Immigration and Nationality Act, Gerrit Been may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enact of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PANTELIS MORFESSIS

The Clerk called the bill (S. 267) for the relief of Pantelis Morfessis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Pantelis Morfessis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SZYGA (SAUL) MORGENSTERN

The Clerk called the bill (S. 278) for the relief of Szyga (Saul) Morgenstern. There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Szyga (Saul) Morgenstern shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such allen as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FILOLAOS TSOLAKIS AND HIS WIFE, VASSILIKI TSOLAKIS

The Clerk called the bill (S. 303) for the relief of Filolaos Tsolakis and his wife, Vassiliki Tsolakis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Filolaos Tsolakis and his wife, Vassiliki Tsolakis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. SAMSON SOL FLORES ET AL.

The Clerk called the bill (S. 496) for the relief of Dr. Samson Sol Flores and his wife, the former Cecilia T. Tolentino.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act,

Dr. Samson Sol Flores and his wife, the former Cecilia T. Tolentino, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARLOS FORTICH, JR.

The Clerk called the bill (S. 587) for the relief of Carlos Fortich, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Carlos Fortich, Jr., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NINO SABINO DI MICHELE

The Clerk called the bill (S. 661) for the relief of Nino Sabino Di Michele.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Nino Sabino Di Michele. From and after the date of enactment of this act, the said Nino Sabino Di Michele shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have been issued.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRENE J. HALKIS

The Clerk called the bill (S. 790) for the relief of Irene J. Halkis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 212 (a) (9) and 212 (a) (19) of the Immigration and Nationality Act, Irene J. Halkis may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: Provided, That this exemption shall apply only to grounds for exclusion of which the Department of State or the Department of Justice

has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAULUS YOUHANNA BENJAMEN

The Clerk called the bill (S. 794) for the relief of Paulus Youhanna Benjamen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Paulus Youhanna Benjamen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEF RADZIWILL

The Clerk called the bill (S. 795) for the relief of Josef Radziwill,

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Josef Radziwill shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL, AGNES, AND SONYA LIEBERMAN

The Clerk called the bill (S. 830) for the relief of Samuel, Agnes, and Sonya Lieberman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Samuel, Agnes, and Sonya Lieberman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIONYSIO ANTYPAS

The Clerk called the bill (S. 841) for the relief of Dionysio Antypas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Dionysio Antypas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RABBI EUGENE FEIGELSTOCK

The Clerk called the bill (S. 843) for the relief of Rabbi Eugene Feigelstock.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Rabbi Eugene Feigelstock shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIRILL MIHAILOVICH ALEXEEV ET AL.

The Clerk called the bill (S. 855) for the relief of Kirill Mihailovich Alexeev, Antonina Ivonovna Alexeev, and minor children, Victoria and Vladimir Alexeev.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Kirill Mihailovich Alexeev, Antonina Ivanovna Alexeev, and minor children, Victoria and Vladimir Alexeev, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fees. Upon granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct four numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRENE KRAMER AND OTTO KRAMER

The Clerk called the bill (S. 1267) for the relief of Irene Kramer and Otto Kramer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act,

Irene Kramer and Otto Kramer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOZO MANDIC

The Clerk called the bill (S. 1129) for the relief of Jozo Mandic.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jozo Mandic, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Frank Mandich, Sr., citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ISHI WASHBURN

The Clerk called the bill (S. 986) for the relief of Mrs. Ishi Washburn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Mrs. Ishi Washburn shall be held and considered to be eligible for nonquota immigrant status if she is found admissible to the United States under the provisions of that act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOSHE GIPS

The Clerk called the bill (S. 945) for the relief of Moshe Gips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Moshe Gips shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGINIA GRANDE

The Clerk called the bill (S. 937) for the relief of Virginia Grande. There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Virginia Grande shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such allen as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEFAN BURDA, ANNA BURDA, AND NIKOLAI BURDA

The Clerk called the bill (S. 917) for the relief of Stefan Burda, Anna Burda, and Nikolai Burda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Stefan Burda, Anna Burda, and Nikolai Burda shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUGUSTA BLEYS (ALSO KNOWN AS AUGUSTINA BLEYS)

The Clerk called the bill (S. 915) for the relief of Augusta Bleys (also known as Augustina Bleys).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Augusta Bleys (also know as Augustina Bleys) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRUNO EWALD PAUL AND MARGIT

The Clerk called the bill (S. 912) for the relief of Bruno Ewald Paul and Margit Paul.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act,

Bruno Ewald Paul and Margit Paul shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

SEC. 2. The Attorney General shall not hereafter exclude or deport Bruno Ewald Paul from the United States on the ground that he has been convicted of a crime involving moral turpitude or admits the commission thereof: Provided, That this exemption shall apply only to a ground for exclusion or deportation of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBINA SICAS

The Clerk called the bill (S. 891) for the relief of Albina Sicas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (4) of the Immigration and Nationality Act, Albina Sicas may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: Provided, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: And provided further, That the said Albina Sicas shall be held and considered to be the minor child of her mother, Mrs. Hilda Sicas.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRUNHILDE WALBURGA GOLOMB, RALPH ROBERT GOLOMB, AND PATRICIA ANN GOLOMB

The Clerk called the bill (S. 1225) for the relief of Brunhilde Walburga Golomb, Ralph Robert Golomb, and Patricia Ann Golomb.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Brunhilde Walburga Golomb, the fiance of Sgt. Robert F. Hartsworm, a citizen of the United States, and her two minor children, Ralph Robert Golomb and Patricia Ann Golomb, shall be eligible for visas as nonimmigrant temporary visitors for a period of 3 months, if the administrative authorities find (1) that the said Brunhilde Walburga Golomb is coming to the United States with a bona fide intention of being married to the said Sgt. Robert F. Hartsworm, and (2) that they are otherwise admissable under the Immigration and Nationality Act. In the event the marriage between the above named persons does not occur within 3 months after the entry of the said Brunhilde Walburga Golomb and the two minor children, Ralph Robert Golomb and Patricia Ann Golomb, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of the Immigration and Nationality

Act. In the event that the marriage between the above named persons shall occur within 3 months after the entry of the said Brunhilde Walburga Golomb and her two minor children, Ralph Robert Golomb and Patricia Ann Golomb, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Brunhilde Walburga Golomb and her two minor children, Ralph Robert Golomb and Patricia Ann Golomb, as of the date of the payment by them of the required visa fees: Provided, That the exemption granted herein shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

With the following committee amend-

Strike out all after the enacting clause and insert "That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Brunhilde Walburga Golomb Hartsworm may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read:
"An act for the relief of Brunhilde Walburga Golomb Hartsworm."

A motion to reconsider was laid on the table.

OLGA BALABANOV AND NICOLA BALABANOV

The Clerk called the bill (S. 1313) for the relief of Olga Balabanov and Nicola Balabanov.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Olga Balabanov and Nicola Balabanov shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REV. ISHAI BEN ASHER

The Clerk called the bill (S. 1362) for the relief of Rev. Ishai Ben Asher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Rev. Ishai Ben Asher shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the the date of the enactment of this act, upon payment of the required visa fee. The Attorney General is directed to cancel any outstanding order and warrant for the

deportation of Rev. Ishai Ben Asher as well as the deportation proceedings heretofore instituted against him. After the granting of permanent residence to the said Rev. Ishai Ben Asher under the provisions of this act, he shall not hereafter be subject to exclusion or deportation from the United States by reason of any facts upon which the said deportation proceeding was based.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERHARD NICKLAUS

The Clerk called the bill (S. 1477) for the relief of Gerhard Nicklaus.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (4) of the Immigration and Nationality Act, Gerhard Nicklaus may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: Provided, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID MAISEL (DAVID MAJZEL) AND BERTHA MAISEL (BERTA PIE-SCHANSKY MAJZEL)

The Clerk called the bill (S. 1490) for the relief of David Maisel (David Majzel) and Bertha Maisel (Berta Pieschansky Majzel).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, David Maisel (David Majzel) and Bertha Maisel (Berta Pieschansky Majzel) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARLO (ADIUTORE) D'AMICO

The Clerk called the bill (S. 1841) for the relief of Carlo (Adiutore) D'Amico.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Carlo (Adiutore) D'Amico shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. JOHN D. MACLENNAN

The Clerk called the bill (S. 1850) for the relief of Dr. John D. MacLennan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Dr. John D. MacLennan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMALIA SANDROVIC

The Clerk called the bill (S. 1860) for the relief of Amalia Sandrovic.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Amalia Sandrovic shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was land on the table.

ANTHONY N. GORAIEB

The Clerk called the bill (S. 1954) for the relief of Anthony N. Goraieb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Anthony N. Goraleb shall be considered to have been registered on the waiting list for intending immigrants for the quota for Lebanon as of April 17, 1945, the date on which American consular officers abroad were authorized to resume registration of intending immigrants.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EDWARD E. JEX

The Clerk called the bill (S. 2009) for the relief of Mrs. Edward E. Jex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Edward E. Jex may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH ROBIN GRONINGER

The Clerk called the bill (S. 2036) for the relief of Joseph Robin Groninger.

There being no objection the Clerk

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Joseph Robin Groninger shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. HENDRIK VAN DER

The Clerk called the bill (S. 2065) for the relief of Mr. and Mrs. Hendrik Van der Tuin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mr. and Mrs. Hendrik Van der Tuin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHIO YAMAMOTO

The Clerk called the bill (S. 2677) for the relief of Michio Yamamoto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Michio Yamamoto shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required via fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ERIKA GISELA OSTERAA

The Clerk called the bill (S. 2820) for the relief of Mrs. Erika Gisela Osteraa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of the Immigration and Nationality Act, Mrs. Erika Gisela Osteraa shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBARA HERTA GESCHWANDTNER

The Clerk called the bill (S. 2960) for the relief of Barbara Herta Geschwandtner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Barbara Herta Geschwandtner may be admitted to the United States for permanent residence if otherwise admissible under that act: Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act: And provided further, That she marries her citizen flancé, Cpl. Marvin C. Drum, within 6 months following the date of enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CPL. ROBERT D. McMILLAN

The Clerk called the bill (S. 599) for the relief of Cpl. Robert D. McMillan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cpl. Robert D. McMillan (Army serial number RA-17053963), the sum of \$1,806.72, in full settlement of all claims against the United States on account of damage to, or loss or destruction of his personal property in a fire that occurred at the Branch United States Disciplinary Barracks, Milwaukee, Wis., on February 24, 1950; the said claim of Cpl. Robert D. McMillan being a claim that is not cognizable under the Federal Tort Claims Act, as amended: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 2, line 4, strike out "in excess of 10 percent thereof."

The committee amendment was agreed

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. ROLLINS S. EMMERICH

The Clerk called the bill (S. 1203) for the relief of Lt. Col. Rollins S. Emmerich.

There being no objection, the Clerkread the bill, as follows:

Be it enacted. That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. Col. Rollins S. Emmerich, of Alexandria, Va., the sum of \$221.49 in full satisfaction of his claim against the United States for reimbursement of expenses incurred by him in transporting his private automobile from Pusan, Korea, to Kobe, Japan, in connection with the evacuation of Korea by American personnel ordered by the United States Ambassador to Korea on June 27, 1950: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 2, line 2, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIVENS CHRISTIAN

The Clerk called the bill (S. 2070) for the relief of Givens Christian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Givens Christian, late a deputy sheriff of Union County, Ky., the sum of \$5,000, in full satisfaction of all claims against the United States for the death of the said Givens Christian on or about June 2, 1948, sustained as a result of his being run over by an Army truck driven by a soldier who was attempting to escape from the custody of the said Givens Christian: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the con-trary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1.000.

With the following committee amendment:

Page 2, line 2, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL BERNSTEIN

The Clerk called the bill (H. R. 3742) for the relief of Paul Bernstein.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Bernstein, of Brooklyn, N. Y., the sum of \$797.78. The payment of such sum shall be in full settlement of all claims of the said Paul Bernstein against the United States arising out of services rendered by him to the United States between June 30, 1936, and November 1, 1939, as an employee of the Federal Works Agency, Work Projects Administration, New York City. Such sum is the amount due the said Paul Bernstein for sick leave and annual leave, earned but not taken by him before a retroactive transfer to an agency under a different leave system. Similar payments may now be made under the subsequently enacted provisions of the act approved December 21, 1944 (U.S.C., 1946 ed., Supp. V, title 5, sec. 61d): Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES DORE, JR.

The Clerk called the bill (H. R. 7508) for the relief of James Dore, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to reinstate the national service life insurance (N-3847155; SN-33224919) issued to James Dore, Jr., (Veterans' Administration claim No. C-10479200), if the said James Dore, Jr., within 6 months after the date of enactment of this act, files application requesting such reinstatement and tenders therewith an amount sufficient to pay the premiums for such insurance for a period of at least 2 months. Upon reinstatement of such insurance (1) all premiums for such insurance for the period commencing De-cember 1, 1947, and ending on the date of reinstatement of such insurance under this act, shall be held and considered to have been paid, (2) the amount tendered pursuant to the first sentence, less an amount equal to the premiums for such insurance for 1 month, shall be applied as premiums for such insurance for the period immediately following the date of the reinstatement of such insurance under this act, and (3) the said James Dore, Jr., shall be entitled to receive all of the rights, benefits, and privileges which he would have been entitled to receive with respect to such insurance if such insurance had been continuously in effect during the period beginning December 1, 1947, and ending on the date of reinstatement of such insurance under this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HELEN ALDRIDGE

The Clerk called the bill (H. R. 7636) for the relief of Mrs. Helen Aldridge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Helen Aldridge, El Paso, Tex., the sum of \$20,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Helen Aldridge against the United States arising out of the death of her husband, Jesse Aldridge, who was killed while walking across the international bridge between El Paso and Juarez, Mexico, on August 30, 1951, when he was struck by a bullet fired by a Mexican policeman who had been improperly permitted by officers of the United States Immigration Service to enter United States territory in pursuit of a fugitive: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amend-

Page 1, line 6, strike out "\$20,000" and insert "\$10,000."

The committee amendment was agreed

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. M. HESS

The Clerk called the bill (H. R. 7762) for the relief of M. M. Hess.

There being no objection, the Clerk read the bill, as follows:

Be it enacted,, etc., That the claim of M. M. Hess, of 226 North State Street, Litchfield, Ill., for relief under section 322 (b) (1) of the Internal Revenue Code shall be held and considered to have been received by the Internal Revenue Department of the United States within the time allowed by law and regulations for the filing of such a claim: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE D. KYMINAS

The Clerk called the bill (H. R. 669) for the relief of George D. Kyminas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, George D. Kyminas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On page 1, lines 3 and 4, strike out "immigration and naturalization laws" and substitute "Immigration and Nationality Act."

On page 1, line 7, strike out the words "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ISRAEL RATSPRECHER AND MARYSE RATSPRECHER

The Clerk called the bill (H. R. 787) for the relief of Israel Ratsprecher and Maryse Ratsprecher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Israel Ratsprecher and Maryse Ratsprecher shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such allens as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On page 1, lines 3 and 4, strike out "immigration and naturalization laws" and substitute "Immigration and Nationality Act."

On page 1, line 8, strike out the words "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EMMA MARTHA STAACK

The Clerk called the bill (H. R. 818) for the relief of Mrs. Emma Martha Staack.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Emma Martha Staack shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of

this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ATSUKO KIYOTA SZEKERES

The Clerk called the bill (H. R. 842) for the relief of Atsuko Kiyota Szekeres.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Atsuko Kiyota Szekeres, who lost United States citizenship under the provisions of section 401 (e) of the Nationality Act of 1940, as amended, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act.

With the following committee amendment:

On page 1, line 10, after the word "act" change the period to a semicolon and insert the following: "Provided, That she is not found to be disqualified from becoming a citizen by reason of section 313 of that act: Provided further, That failure to reestablish her residence in the United States within a period of 18 months following the enactment of this act shall bring about a divestiture of United States citizenship thereby acquired."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to restore United States citizenship to Atsuko Kiyota Szekeres."

A motion to reconsider was laid on the

FRANCISZEK WOLCZEK

The Clerk called the bill (H. R. 905) for the relief of Franciszek Wolczek.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Franciszek Wolczek, Alien Registration No. A-6159685, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PANOULA PANAGOPOULOS

The Clerk called the bill (H. R. 950) for the relief of Panoula Panagopoulos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of the Immigration and Nationality Act, Panoula Panagopoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. WAI-JAN LOW FONG

The Clerk called the bill (H. R. 1171) for the relief of Mrs. Wai-Jan Low Fong.
There being no objection, the Clerk read the bill. as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Mrs. Wai-Jan Low Fong shall be held and considered to be a nonquota returning resident alien, as defined by section 4 (b) of the Immigration Act of 1924, as amended.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, in the administration of the Immigration and Nationality Act, Mrs. Wai-Jan Low Fong shall be held and considered to be a nonquota returning resident alien as defined by section 101 (a) (27) (B) of that act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STYLIANOS HARALAMBIDIS

The Clerk called the bill (H. R. 1209) for the relief of Stylianos Haralambidis. There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Stylianos Hariambidis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On page 1, lines 3 and 4, strike out "immigration and naturalization laws" and substitute "Immigration and Nationality Act."

On page 1, line 7, insert a period after the words "visa fee" and strike out the remainder of the bill.

The amendments were agreed to.
Mr. GRAHAM. Mr. Speaker, I offer
an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM: On page 1, lines 4 and 5, strike out the name "Harlambidis" and substitute "Haralamhidis '

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Stylianos Hara-

lambidis.'

A motion to reconsider was laid on the table.

GEORGINA CHINN

The Clerk called the bill (H. R. 1324) for the relief of Georgina Chinn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2 of the act of De cember 17, 1943, as amended (8 U. S. C. 212 (a)), and for the purpose of sections 4a and 9 of the Immigration Act of 1924, as amended, the minor child, Georgina Chinn, shall be held and considered to be the natural-born alien child of Harold N. Chinn, a citizen of the United States.

With the following committee amendment.

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Georgina Chinn shall be held and considered to be the natural-born alien child of Harold N. Chinn, a citizen of the United

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BETTY E. LAMAY

The Clerk called the bill (H. R. 1897) for the relief of Mrs. Betty E. LaMay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Mrs. Betty E. LaMay shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 17, 1950, the date on which she entered the United States, upon the payment of the required visa fee and head tax.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, for the purposes of the Immigration and Nationality Act, Mrs. Betty E. LaMay shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IVO MARKULIN

The Clerk called the bill (H. R. 2051) for the relief of Ivo Markulin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ivo Markulin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quotacontrol officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SMITH of Wisconsin. Mr. Speaker, that concludes the calendar for the day. We have no reports on the remaining bills.

GRANTING PERMANENT RESIDENCE TO CERTAIN ALIENS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Con. Res. 254), which is No. 1026 on the calendar and in which about 25 Members of the House are interested.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 50 App. U. S. C. 1953):

A-6682832, Abraham, Joseph Heskel.

A-6517191, Fiala, Anna Elisabeth.

A-6517192. Fiala. Emerich.

A-6420597, Fiala, Silvio Emerich.

A-7863237, Fridenwalds, Alida.

A-7863236, Fridenwalds, Eris.

A-7863238, Fridenwalds, Ivars

A-7962367, Millevoi, Miro, or Casimiro Millevoi.

A-9526008, Mow, How Shan.

A-6050640, Nawrocki, Irene or Bytniewska (nee Raciborska).

A-6967645, Shih, Usang-Lung.

A-8155725, Aikler, Antonio or Anthony. A-9280465T, Andjelini, Joseph.

A-8039701, Babich, John.

A-7244982, Bierman, Mariam. A-9244983, Bierman, Zbighiew Edward.

A-7863022, Bills, Eriks Arturs. A-7249879, Butlers, Alfreds.

A-7249878, Butlers, Anna.

A-7250164, Butlers, Taiga.

A-7849222, Cakste, Katherine Konstance, or Kitty Cakste.

A-17849223, Cakste, Anastasija (nee Stipnieks)

0300-402166, Chan, Chock, 0300/414144, Chan, Yok. A-6702181, Chang, Yeanne Chung Kwang

A-6967712, Chang, Zee, or Alfred Zee Chang, or Alfred Chang. 0300-415492, Chao, Lin, or Lam Chiu.

0300-419492, Chao, Mrs. Mary (nee Chang).
A-6620866, Chao, Sally.
A-6620866, Chao, Helen.
A-6620869, Chao, Robert.

Wing.

A-6967478, Chen, Simon Ko-Siang. A-7640625, Ching, Chang or Alice Chang Loo.

A-8057915, Chong, Moo. A-8065358, Chong, Wong Wing or Wong

A-8065446, Choy, Yee. T-666666, Chu, Tsoo-Whe. T-666667, Chu, Sou-Mei Chen.

0501-19723, Chu, Sou-Lien or Dorothy Chu. 0501-19634, Chu, Chun-Liu or Clive Chu. 0501-19635, Chu, Cheng-Wu or Sherwood

A-6735293, Chu, Han-Ping or Glorida Chu. A-9151151, Chu, Yu Fu. A-7099687, Chu-Tow, Mabel S. or Mabel Cho-Shin Chu or Mabel C. S. Dor.

A-8057309, Chun, Chang or Chong For Po. A-7079579, Chun, Rose Ting or Rose Ju-Yu Ting.

A-6730484, Danhu, Emily Isa or Emily Daniels.

A-7243858, Dankers, Vilis.

A-9562975, Dee, Chan San.

A-7061869, Doo, Kyi-Ioong or Gerald Kyi-Ioong Doo.

A-684771, Doo, Tseng-Hsiang or Lucy Tseng-Hsiang Doo.
A-7050046, Duck, Choy Kun or Choy Pak.
A-7962195, Faldich, Ermano.

A-7351657, Farnadi, Dezso Geroge. A-9560954, Fat, Chan Ping or Woo Lin.

A-4840603, Fook, Yeung. A-7348811, Freienbergs, Janis, A-7863241, Freimuts, Arvids. A-7863242, Freimuts, Inara.

A-7863243, Freimuts, Alise.

A-6933877, Friedman, Bernath.

A-6967568, Fu, Chen. A-6698393, Fuchs, Ignac. A-6698394, Fuchs, Regina.

0300-406016, Fung, Ng.

A-6857685, Georgescu, Haralamb H. or Haralamb Georgescu or Gorge Haralambre or

Harald Georges. A-6857686, Georgescu, Daisy Alice or Daisy Alice Odile Georgescu, formerly Daisy Alice Odile Michailescu (nee Daisy Alice Odile

0300-28896, Gong, Chee. A-6982900, Hasenfeld, Alexander. A-6704063. Ho, Hsing Ching (nee Chang) or Deanna Ho.

A-8065448, Hoom, Leung See. A-6690371, Houri, Emelie J.

A-6690375, Houri, Einene Joseph.
A-6890375, Houri, Yvette Joseph.
A-7298503, Hsi, Kung K'ai.
0300-392667, Huang, Kenneth Kang.
0500-38567, Huang, Meng Cho or Dick Huang.

A-7056902, Iee, Huo-Sheng.

A-8196137, Kan Fan. A-6507005, Katem, Alice Semele Elizabeth. A-6887704, Kent, Frederick George or Bedrich Salansky.

A-7073773, Kertesz, Hargit Kornelia Maria. 0804-6263, Kertesz, Agnes Martha.

A-7898855, Koh, Hoo Ah or Ah Koh Hoo. A-9633956, Kok, Ah or Lui Kok or Ah Koh. A-8190272, Kow, Low or Lou Kou. A-9778388, Kow, Tsang.

A-6855585, Kuan, Tak Kong or Kuan Tak

Kong. A-6851469, Hsu, Rosana Wen Hsing or Wen

Hsing Hsu or Hsu Wen Hsiang. A-8091378, Kwai, Lee.

A-9211255, Kwan, Lam.

A-8082015, Kwang, Chan Gee or Chan Kwang.

A-9245409, Lam, Chau or Chow Lam or Lam Chau.

A-6887564, Lamberts, Andrejs Andris.

A-6897067, Landau, Simcha or Sidney. A-6403577, Lee, Mei Rau or Mei Yoi Lee or

Madelina Mei Rau Lee. A-8001236, Lee, Yuen or Li Yuen. A-6833462, Li, Li (nee Lu).

A-6975626, Lin, Yee Sang.

A-0963020, Lin, Fee Sang.
A-7862366, Ling, Ping Chung.
A-780909, Ling, Yu Ru Yuan.
A-8015149, Lizzul, Giovanni Maria.
A-9743559, Lock, Ying or Lock Ying.

0300-161017, Lung, Lam Ah.

A-6703359, Ma, John Baptist or Tsiun Fa

A-6772580, Madison, George. A-6953280, Mak, Wei Kang. A-6962953, Mak, Marion An Wing.

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A-9710391, Matkovic, Petar.
A-9745494, Miksons, Alfreds Alexsanders.
    A-9836851, Ming, Kwok.
A-8851454, Moeson, Florence Tsui-Yung
Tan (nee Tsui-Yung Tan).
A-7138420, Nowicki, Stanislawa.
0400/46406, Nowicki, Paul Zygmunt.
    A-7241994, Osis, Karlis,
A-7241995, Osis, Emma.
A-6971762, Ounpuu, Edward Johannes.
    A-6971790, Ounpuu, Alviine.
A-6381295, Pan, Lan or Pan Nien Tze.
    0300-403720, Pezzulich, Francesco.
    A-9825156, Pizestrzelski, Kazimierz.
    A-6355174, Poe, Leong or Leong Kwong.
A-8091319, Poglianich, Claudio.
A-6805619, Rashty, Aziz Khedoori.
    A-6819607, Reuben, Eliahoo Menashy.
     A-7439273, Rostas, Ilona formerly Rot-
tenstein.
    A-7282693, Sabel, Dezso.
A-7292689, Sabel, Roza.
    A-7282690, Sabel, Oszkar.
    A-7282691, Sabel, Sandor.
    A-7282692, Sabel, Elza.
A-8082092, Salamon, Carlo.
A-7967450, Sassoon, Salman Saleh Hakham.
    A-6441717, Shio, Cheng.
    A-9778387, Sin, Lee See.
A-8057261, Sing, Man.
A-6704254, Siwek, Jadwiga.
A-7243267, Soccolich, Giulio Roberto.
    A-7991771, Stipanov, Petar.
A-9124876, Sun, Som Cheung.
A-7250499, Tang, Tse-Ming or Constance
A-7230499, Tang, Ise-Ming of
Tse-Ming Tang.
A-7056850, Teitelbaum, Leopold.
A-6923159, Tibor, Wollner.
A-8190346, Toh, Lam Kong or Siw Ning
Lim.
    0300-405914, Tong, Ling or Ling Kam.
    0300-405914, Tong, Ling or Ling Kam.

A-6928455, Tse, Tong.

0501-19742, Tseng, Ching Lam.

0501-19745, Tseng, Shu Chuan Lo.

0501-19743, Tseng, David Yuin-Chi.

0501-19747, Tseng, Nancy Yuin-Ming.

0501-19741, Tseng, Bamber Yuin-Chung.
    A-8039693, Tsong, Chang Ngok.
A-6916021, Tyrnauer, David.
A-7184429, Tyrnauer, Helen (nee Grun-
feld).
    A-9669174, Viemann, Peeter or Peter Wein-
man.
    0300-421694, Wah, Chan.
A-6178340, Wan, Jeh-Chai or Jack Chai
 Wan.
    A-9561565, Wan, Ng.
A-6953084, Wang, Dorls Hsueh Pih (nee
A-6542213, Wang, Jen Hsien.
0501-19695, Wang, Ling Nyi Vee or Mrs.
Shou-Chin Wang.
     0501-19699, Wang, I, Chyau or Daniel I .-
 Chyau Wang.
    0501-19698, Wang, Ju Yuan or Judy Ju-
 Yuan.
     A-6910233, Wang, Sui (nee Yen) or Dr.
Sui Yen.
Sui Yen.

A-7069100, Weiss, Eugene.

A-7366381, Weiss, Rosa.

A-8091548, Wen, Tsang.

A-9635431, Wen, Wong Hsin.

A-8106936, Wing, Lee or Chester Lee.

A-7079928, Wolf, Magdolna (nee Zimmerman) or Magda or Madeleine Wolf.

0300-387747, Wone, Nom.

A-6699851, Wou, Leo Shang.

A-6923203, Wu, Tzu Lin.

0300-417752, Yeong, Tsang or Twang Young.
 Young
     A-7511752, Yueh, Herman Yu-Heng or Yu-
 Heng Yueh.
     0300-458536, Yung, Chan.
     A-7118700, Arnolda, Sister or Tsui Hwa
 Chang
     A-6053039, Chan, Choy.
     0300-402234, Chang, Yuan Ah or Chang Ah
 Yuan or Ah Hsiang Yuen or Yuen Ah Hsiang.
     A-8039780, Chao, Ah Chang,
A-9167093, Fat, Lam.
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A-7249876, Feimanis, Voldis.

A-9037851, Fook, Yip or Fook Yey.

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A-7863029, Gaide, Janis Voldemars.
    A-8190487, Hoy, Chen or Chan Hoi.
A-6694100, Hsi-Tsao, Ching or Frank.
    A-8091391, Hsing, Cheng Ho or Cheng Wo
Hing.
A-7244981, Innus, Martins Arvids.

A-7244981, Innus, Rafig.
    A-7125153, Jallouk, Rafiq.
A-7125162, Jallouk, Nelli Shammes.
A-7863244, Jankevics, Pauls Alexanders.
A-7863245, Jankevics, Alise Valija.
    A-6971752, Kalde, Enn.
    A-6971788, Kalde, Ida Rosilda.
    A-6971773, Ruut, Priit.
    0300-352483, Kwong, So.
A-8065349, Ling, Tang Kin.
    A-7863200, Pienups, Janis.
    A-7863201, Pienups, Anna.
    A-7863202, Pienups, Inars.
    A-6959829, Pour, Ivan George, 176/1140, Shin, Tsang Kun.
    A-6845497, Sun, Wellington I-Tsung.
A-6628887, Sun, Ying-Seng Yeng or Ying-
Sheng Yen.
    A-6845498, Sun, Gerald Tze-Ping.
    A-6627388, Sun, Teddy Tze-Ho.
A-6905013, Tauber, Armin.
    0300-238968, Tauber, Esther Chard.
0300-113720, Tauber, Josef.
0300-414479, Tsing, Ching.
0300/18249, Tsu, Lung Shi.
A-6940565, Woo, Ji Jih, or Chi Chieh Hu
or Hu Chi-Chieh.
    A-7118706, Yao, Ching Ju or Sister Antsila.
A-6986583, Yao, Chu Sheng.
A-8091362, Yee, Lee.
    A-6949477, Altoja, Ming.
A-6949477, Altoja, Ants.
A-6949478, Altoja, Maria.
A-7809994, Belz, Juda.
A-7809010, Belz, Krajndla Waks.
    0300/397598, Bing, Ng.
0300/397512, Bit, Kai Kong.
    A-7962368, Carcich, Domenico.
A-9635193, Chan, Fook or Chan Fook.
A-7491704, Chang, Chung Fu.
     A-7841171, Chang, Shan Fin (nee Chen).
    0200-86200, Chang, Robert Shihman.
    A-7469989, Chang, Yinette Yu.
A-6884721, Chang, Yi-Chung.
V-33406, Chang, Ta-Chuang Lo.
    A-7377001, Chang, Yuan Yang.
A-6847876, Chao, Chen-Sung.
A-9782694, Che, Chen Chung or Chi.
     A-6848004, Chen, Ning Shing or Nicholas
 Sing Chen.
    A-7118701, Chen, Shih-Yuan.
A-9831315, Chen, Yi Fu or Yi Fu Chen or
 Nee Fu Chen.
    0401-19333, Chen, Betty or Betty Yi Fu
 Chen
    A-6141277, Chen, You-Min.
V-611691, Chen, You-Li (nee She).
     0300-391264, Cheng, Tong or Cheng Tung.
     A-8039699, Chi, An Chang.
    0300/412426, Chik, Lam.
A-6967716, Cho, Alfred Chih-Fang.
A-9528818, Choe, Cheng Ka.
     A-7243257, Chouprov, Vcevolod Mathew.
     0300-398161, Chow, Low or Chow Low or
 Lou Choy or Lou Joe.
    0300-410648, Choy, Dai.
A-9798380, Chu, Lee Chong.
A-6982875, Chung, Mary A.
A-9738866, Drensky, Groziu Nicolaef.
     A-7809777, Eng, Chong Park or Wo Po or
 Ng Park.
    A-7948353, Erikson, Johan.
A-9528817, Fah, Wong Hwa.
A-6923151, Fisch, Moses.
     0300-245718, Fisch, Serena.
     A-7138327, Fischhof, Maria.
A-8091357, Fong, Lo Wai.
    A-8091357, Fong, Lo Wai.
0300-420478, Foo, Li.
A-9530725, Franelic, Justin.
A-7088621, Frideczky, Jozef Istvan.
A-7097507, Frideczky, Erzsebet Eva Maria.
A-7090885, Frideczky, Ferenc Antal Andras.
A-6848205, Friedlander, Adolf.
A-8106517, Fung, Liang Chung.
A-6989377, Gineika, Leopoldas.
A-8082012, Goh, Chin Hee.
A-848193, Grinberg, Jozef.
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A-6848193, Grinberg, Jozef.

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A-6696238, Hayim, Albert Joseph.
   A-9777290, Hee, Lau or Liu Shi or Lau
Chee.
   A-9561135, Hing, Heng Pow.
A-7726007, Hsi, Teh Tsang.
A-6041697, Hu, Alexius Yuan or Chung-
N-5041697, Hu, Alexius Yuan or Chun
ling Hu or Yuan Hu or Alexius Hu Yuan.
V-57211, Huang, Chin-Chun.
A-9765965, Hung, Yan Si.
A-8091388, Kam, Choy.
   A-6864078, Kampe, Albert Valdemar.
   A-6971751, Kangur, Justin or Juri.
   A-6971750, Kangur, Esisauteta.
A-6971745, Kangur, Arno.
   A-6627321, Kao, Wayne King or Wen Chun
Kao.
   A-6742035, Kao, Mabel Chen or Mei Pu
Chen.
   0300-440248, Kim, Soo or Ah Pat.
A-7640623, Kit, Loo Man or Man Kit Loo
or Melvyn Loo or Loo Min-Chieh.
   A-9518348, Kong, Chin or Chan Sang.
A-7095524, Kose, Bernhard or Bernhard
Germann.
   A-8021272, Kue, Bok Leng.
A-7274020, Yuk, Fay Choy.
A-8091390, Kwan, Chan or Kwan Chan or
William Chan.
   A-9686567, Kwong, Wong or Kwong
A-9938805, Lacis, Peter.
A-9190756, Lai, Tung.
A-9374851, Lau, King Teng.
A-7922860, Lee, Choi.
   A-7120689, Lee, Frank Hsu Hwl.
   A-8190038, Lee, Johnne or Lee Ching.
A-6971812, Lepson, Rein.
A-6971744, Lepson, Helmi (nee Harma).
   A-6971797, Lepson, Indrek.
   A-6971797, Lepson, Indrex.
A-79622250, Li, Tsung Han.
0300-421371, Liang, Ching-Tung.
0300-423646, Liang, Yun-Chao Lin.
A-7009523, Liivat, Valdeko.
A-7095522, Liivat, Liidia.
A-6887553, Linik, Azriel Abraham or Abe
Link.
   A-6026149, Liu, Chang Keng.
A-6848584, Liu, Hong-Zoen (nee Jui).
   0300-392467, Liu, Chu-Kai or Lau Choow-
or Hwang Toi.
A-7123432, Locke, Yan-Chun or Lawrence
Yan-Chun Locke or Lawrence Locke.
A-6848152, Locke, Eva Theresa (nee Eva
Theresa Woo).
   A-9695049, Loi, Fong.
A-6730658, Loo, Mrs. Fay or Fay Yung.
A-6971799, Lossmann, Johannes.
A-6971800, Lossmann, Helmi.
A-6971801, Lossmann, Jaan or John.
    A-7064141, Lowinger, Mor.
   0300-403238, Man, Shum.
A-8082025, Ming, Chan Sek.
A-6958660, Mok, May Lee.
   A-6775636, Nahmias, Andre Youssef or An-
dre Joseph Nahmias.
   A-9560888, Nai, Chan.
A-7057877, Obet, Victor.
0300-398021 On Lai or On Lia or Sai Yew.
    A-6624928, Ou Felix.
    0500-32371, Pei, Ching Hwa or Ching Hwa
Pei Chang.
A-8082486, Po, Kwan or Kong Po or Ching
Kwan Po.
    0300-418801, Poa, Woo Ah.
   A-7457749, Polli, Elmi.
A-7249881, Reinla, Mihkel.
A-7249873, Reinla, Maimu (nee Sade) for-
merly Stahl.
    A-6752988, Rodman, Juliet H. Zakkai.
    A-7048807, Rubin, Artur.
A-7345325, Rubin, Irena.
    A-6798996, Savisaar, Ernestine.
    A-6910016, Schoenfeld, Eugen.
    A-9782758, Shing, Lum.
    A-6731298, Shukur, Edward Khedore, A-7056017, Sinaj, Vilian.
    A-8057497, Sinaj, Liyza or Ethel (nee Mos-
kowitz).
    A-7890718, Skansi, Nikola.
    A-7980295, Sojat, Savko Marko.
A-6983572, Stark, Michael.
    A-7096111, Stark, Eva (nee Gancfried).
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A-6938814, Sudelis, Krigs. A-6936815, Sudelis, Elfanora. A-6851653, Sung, Ming Yang. A-7244294, Svede, Arthur Gustave. A-7244299, Svede, Valija Emilija. A-7244295, Svede, Ausma Imara. A-7244296, Svede, Ilgvars Gunars. A-7244297, Svede, Aris Visvaldis. A-7244298, Svede, Vilnis. A-7244293, Svede, Janis Olgerts. A-9511408, Tai, Lam or Tai Lam. A-9245009, Tak, Ko.
A-6851697, Tang, Yu-Sun,
A-6949783, Tapp, George,
A-6949784, Tapp, Maria or Maria Umb,
0500-46780, Teng, Stephen Yueh-Min. A-7350666, Teodorescu-Valahu, Anna (nee Capitan) A-6694104, Tikotsky, Wolf. A-6444674, Ting, Lucy or Lucy Ju-Chen Ting. A-8082089, Ting, Shih Yung. A-7095529, Tomson, August. A-7095530, Tomson, Alma. A-6933873, Treiber, Evzen or Eugene. 0300-249547, Treiber, Helena or Helen. A-6702188, Tseu, Margaret Teresa or Yu-Ying Tseu. ing Tseu.
A-7193928, Tu, Tsung Cheng or Shin Jai.
A-1290133, Tuck, Joseph.
A-6702360, Tuck, May C.
A-6702361, Tuck, Sylvia E. E.
A-6971754, Uustal, Johan.
A-6971791, Uustal, Linda.
A-6971780, Uustal, Jaan.
A-7244301, Veinbergs, Talivaldis.
A-7244984, Vesik, Mihkel.
A-7244986, Vesik, Arno.
A-6986496, Wang, En Ming (nee Chen).
A-8021404, Wang, Hubert Chang-Hsu.
0300-392608, Wang, Susan or Wang Chou 0300-392608, Wang, Susan or Wang Chou Chen. A-6922671, Weissmann, Elias. 0300-244065, Weissmann, Serena. V-795888, Wen, Adam Kung-wen or Kungwen Wen or Kuag-wen Wen. V-795887, Wen, Mimi Szeto-wen or Mimi A-6271272, Wen, Ronald or Wen Shu Hsuan.

Wen. 0300-420772, Wen, Judy or Wen Chi Hou

Nien A-6739753, Wen, David or Way Wen. A-6739752, Wen, Louis or Loy. A-039132, Wen, Louis of Loy. 0300-403935, Wood, Shi-Chioh. 0300-403935, Wood, Shu Ying Chen. A-3268532, Yao, Nai Zer. A-5928218, Yee, Kwak or Yee Kwak.

0300-422403, Yen, Mu Pin or Yen Pin Mu or Mubin T. Yen.

0300-422404, Yen, Margaret Chu or Chu Chuan-Chu.

A-9782659, You, Hee or Hee Leong Kee or Hee Yau Hui.

A-6855581, Zucker, Ruzena.

A-8082070, Zulich, Ivan or John or Giovanni Zulich.

A-6803911, Akka, Rouben, Ibrahim. 0300-418049, Bonetta, Carlo.

A-7056848, Brukirer, Pincus (Pinkus) or Broker.

A-7181916, Butte, Henry Wilhelm. A-7181917, Butte, Herta Inez.

A-7243258, Carcich, Giovanni. A-7222368, Cereobori, Luciano. A-8065704, Chan, Lin Ah.

A-6848607, Chang, Kuo Tsun. V-184676, Chee, Shun Chu.

A-6849466, Cheng, Hugh (Robert) Siang. A-6949788, Childress, Helgi. A-9513665, Chojnacki, Bogdan Joseph.

0300-429235, Chong, Ah or Li Cuk Cauk or

Chong Kong.

A-6975623; Chun, Ben Hung-Ten.

A-5926208, Chung, Mok Chee or Sau Mok.

A-9765567, Ciogan, Eustafie or Christaki.

A-8021321, Coglievina, Giuseppe. A-7243857, Dankers, Ella Rodina.

A-7244979, Ermansons, Arturs. A-7244980, Ermansons, Anete.

A-8091315, Fat, Chan or Ching Fa. A-6916033, Feldman, Emanuel Gerson. 0300-252494, Feldman, Chaja Ida.

A-9506918, Fong, Han Agh. A-8082840, Fook, Chan or Chan Cheong. 0300-392291, Fook, Tsang Wah or Wah Fook Tsang.

0300-398103, Fook Wong.

A-8031972, Franza, Matteo Daniele de. A-7125014, Halter Bela.

A-6163761, Han, Shu Tang or Yao Ling Chang.

hang. A-8091327, Harabaglia, Hugo. A-8082008, Helich, Stefano. A-9694017, Hi, Chu or Joe Hee. 0300-428098, Hong, Ho Wai or Ho Yau or Hong Ho Wai.

0300-410649, Hong, Lee.

A-7111657, Hsi, Edith Yu-Shih.

A-6552464, Hsieh, Te-Cheng or Fred Shaw. A-6505776, Hsieh, Mary Sukin Cheng. A-6505409, Hsieh, Man Lynn. A-6505407, Hsieh, Lucy Mei Chi. A-6505408, Hsieh, Paul Tze-Li Ching San

or Paul Hsieh,

A-6847777, Hsu, Ming Po.

A-7841813, I, Helen Yeo.

A-6651024, I, Bernard.

A-6819125, Jakubovic, Sarolta (nee Weinheber)

A-7057090, Jankai, Tibor or Tibor Deutsch. A-7096058, Jankai, Iren (nee Alexander).

A-7096058, Jankai, Iren (nee Alexander)
A-6694005, Jirak, Karel Boleslav.
A-7200698, Jirak, Blazena.
A-9717383, Kalmet, Arseni.
0300-410499, Kan, Tsang or Tsang Kun.
0300-331005, Kerra, Walter.
A-6095136, Khadra, Omar Abou.

0300-399097, Kit, Yu or Yu Shek.

A-8031936, Korm, Leonida. A-7863019, Krumins, Alvine. 0300-403711, Kuen, Cheung.

A-6847968, Kuo, Kwang-Lin. A-7241996, Kurcbaums, Vilis Pauls

A-7241997, Kurcbaums, Mirdza Valija Csiz. A-6356317, Kurz, Julia Beatrice (nee

Cheng) A-8196599, Kwan, Cheung. A-7863214, Lans, Ilvars.

A-7863215, Lans, Vilma Irma (nee Birze). A-6503645, Lebovic, Marton. A-6712033, Lee, Kuan Lou.

0501-19708, Lee, Wei Kuo. 0501-19709, Lee, Pei-Fen Tang.

0501-19710, Lee, Bernard Shing-Shu. 0501-19711, Lee, Katherine Tseng-Shu.

A-8190046, Lee, Wing Nin. A-7073609, Lettrich, Julius. A-6349782, Li, Shui-Mei.

A-8001420, Lin, Shun-Hua. A-8057857, Ling, Yuen. A-7863020, Linis, Oktavija,

0300-390643, Lo, Kong.

A-6847928, Loe, Lucy Mary or Hsiao-Bien Loe.

A-7962031, Loodus, Arnold.

A-6012603, Martinovic, Petar. A-7185511, Mazur, Dyonizy Piotr. A-9290471, Meng, Foo See.

A-9836572T, Mon, Lee. A-6887714, Niemcewicz, Josef.

A-7184072, Niemcewicz, Regina (nee Borenstein).

A-6971760, Ohakas, Evald. A-6971782, Ohakas, Olga. A-7243869, Ozolins, Alfred.

A-7849670, Ozolins, Ulois. 0300-423623, Pao, Lee Chen.

A-6142745, Pong, Arthur Y. Y. or Pang.

A-9643928, Pong, Wai.
A-8010467, Rasiulis, Aleksas.
A-6903775, Rimpler, Samuel.
A-6849123, Sheena, Edward Haroon. A-6851504, Shih, Cheng.

A-7365385, Shing, Yeung or Yeung Sheng Yang Sing.

A-7415177, Shueh, Shih-Yung or David Shueh.

A-8082003, Sing, Tsang or David Tsang. A-7200778, Sirdleck, Anna Albertine (nee Tobolik) or Anna Albertine Ida. 0300-418899, Stankic, Ivan.

A-7210493, Streicher, Bela.

A-7210492, Streicher, Olga (nee Ehren-

thal).

A-7439701, Streicher, Gabor.

A-7439700, Streicher, Otto.

A-8091341, Tang, Tseng Shu.

A-6949781, Tapp, Mihkel.

A-6949782, Tapp, Patjana (nee Vesik). A-6949785, Tapp, Nikolai. A-6798997, Treiman, Karl or Karlis Treimanis

A-7863209, Trusis, Karlis.

A-7863210, Trusis, Zenta (nee Abrins). A-7863211, Trusis, Ivar or Ivars. A-7178945, Tsien, Maud Chaoling. A-6694205, Tsu, Norman Chang Kang.

A-9621977, Un, Cheng Zung.

A-6798998, Vaart, Elmar. A-7184420, Vajda, Paul or Paul Davay. A-9948288, Vitich, George.

V-886518, Wang, Keh Chin or Richard Keh Chin Wang.

A-6026125, Wang, Kia Kang. A-6026160, Wang, John H. or Shu Hsu

Wang. A-6028173, Wang, Jonesie or Shu-Joan

Wang. A-8082073, Wang, Yin Pao. A-8082074, Wang, Ho Yin Lee or Alice

Wang.

A-6918465, Wang, Elsie.
A-7060507, Werner, Karol Gabrel.

A-7060507, Werner, Karol Gabrel.
A-9526181, Wong, Ho or Wong Ho.
A-7445844, Wong, Kong Hee.
T-1892931, Woo, Chong or You Woo.
A-8106034, Wun, Chow.
A-9525850, Yee, Chow or Ng Chow Yee.
A-6967316, Yee, Pan Kut.
A-9669640, Ying, Tsing.
A-6847368, Yu, Jung Kwong.
A-6847368, Yu, Mary Ann (nee Hui Yin

A-6847868, Yu, Mary Ann (nee Hui Ying Lu or Mary Ann Lu). A-8091073, Yuen, Choy or Fong Choi. A-7469082, Zgagliardich, Ivan or Giovani

Zgagliardich or John Zgagliardich.

A-8082072, Zulich, Enrico or Ricardo Zu-

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF COM-MERCE TO SELL CERTAIN WAR-BUILT PASSENGER VESSELS

Mr. TOLLEFSON submitted a conference report and statement on the resolution (H. J. Res. 534) to authorize the Secretary of Commerce to sell certain war-built passenger vessels, and for other purposes.

KLYCE MOTORS, INC.

Mr. JONAS of Illinois. Mr. Speaker, I call up the conference report on the bill (H. R. 5185) for the relief of Klyce Motors, Inc., and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill. The SPEAKER. Is there objection to the request of the gentleman from Il-

There was no objection.

The Clerk read the statement. The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2272)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5185) for the relief of Klyce Motors, Incorporated, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the Senate amendment numbered 1 and agree to the the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "\$91,000"; and the Senate agree to the same.

EDGAR A. JONAS,
USHER L. BURDICK,
THOMAS J. LANE,
Managers on the Part of the House.

WILLIAM LANGER, HERMAN WELKER, ESTES KEFAUVER, Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5185) for the relief of Klyce Motors, Inc., submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendments, namely:

report as to such amendments, namely:
This bill as passed the House would appropriate the sum of \$38,960 to the Klyce
Motors, Inc., in full settlement of all claims
against the United States for losses sustained under War Assets Administration
sales document No. 262345, in connection with
the purchase of 109 trucks, dated May 25,
1946, for which there was a breach of warranty on the part of the War Assets Administration.

The Senate increased the amount by restoring the original sum as introduced, that is, \$116,982.76. The Senate also amended the bill so as to provide that no attorney shall be paid from the appropriation. At the conference the sum of \$91,000 was agreed upon, and the House conferees agreed to the Senate amendment as to the proviso in connection with attorney fees.

EDGAR A. JONAS, USHER L. BURDICK, THOMAS J. LANE, Managers on the Part of the House.

The SPEAKER. The question is on

the conference report.

The conference report was agreed to, and a motion to reconsider was laid on

SUPPLEMENTAL APPROPRIATION BILL, 1955

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 646 and ask for its immediate consideration.

The Clerk read as follows:

the table.

Resolved, That during the consideration of the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

The SPEAKER. The gentleman from Ohio is recognized for 1 hour.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use, and yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. Speaker, I rise to urge the adoption of House Resolution 646 which will make in order the consideration of the bill, H. R. 9936, making supplemental

appropriations for the fiscal year ending June 30, 1955, and for other purposes.

House Resolution 646 would provide for the waiving of points of order during the consideration of the bill.

Mr. Speaker, this waiving of points of order is necessary for several very important reasons. First of all H. R. 9936 changes certain limitations which were previously set in other bills.

In chapter 11, relating to general provisions, there are the usual general provisions that have been carried for several years in one bill, rather than carrying them in each bill that is reported out by the Appropriations Committee during the session. This also necessitates the waiving of the points of order against the bill.

Section 1111 has a new piece of language which is designed to define what an obligation is. This new language has been made necessary by the fact that in the past certain agencies have called things obligations when they were not. It is hoped that this new language will clarify this whole situation.

Mr. Speaker, in the bili itself, the figure recommended by the Committee on Appropriations is \$765,770,188 less than was asked for in the budget estimate.

Mr. Speaker, there is no need to emphasize to the House membership the importance of this bill. I hope that the House will adopt this rule which will allow for the waiving of points of order during the consideration of the bill.

Mr. SMITH of Virginia. Mr. Speaker, the Committee on Appropriations was unanimous in asking for this rule. I see no objection to it. I have no desire to consume any of the time of the House.

Mr. Speaker, I yield back the remainder of my time.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered. The resolution was agreed to.

H. R. 9910

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the bill (H. R. 9910) to amend section 413 (b) of the Foreign Service Act of 1946, be stricken from the Union Calendar and recommitted to the Committee on Foreign Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tomorrow night to file a report on the bill H. R. 9910.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE ON RULES

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

CALL OF THE HOUSE

Mr. WAINWRIGHT. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

	[ROII NO. 106	
Angell	Heller	Philbin
Bailey	Hess	Powell
Barden	Kearney	Regan
Bentsen	Kersten, Wisc.	Richards
Boykin	Latham	Secrest
Brooks, La.	Long	Short
Brownson	Lucas	Sieminski
Buckley	Lyle	Sikes
Camp	McGregor	Simpson, Pa.
Curtis, Nebr.	McMillan	Sutton
Davis, Tenn.	Mailliard	Thompson, La.
Dingell	Miller, N. Y.	Thompson, Tex.
Dodd	Morrison	Weichel
Fallon	Norblad	Wheeler
Fisher	Osmers	Whitten
Fulton	Patman	Willis
Grant	Patten	
Horris	Porking	

The SPEAKER. On this rollcall 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 10 minutes tomorrow, following the legislative program of the day and the conclusion of special orders heretofore entered.

HOUSING ACT OF 1954

Mr. WOLCOTT. Mr. Speaker, I call up the conference report on the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities—the so-called housing bill—and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2271)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities, having met, after full and free conference, have

agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Housing Act of 1954'.

"TITLE I-FEDERAL HOUSING ADMINISTRATION "Amendments of title I of the National Housing Act

"SEC. 101. (a) Section 2 (a) of the National Housing Act, as amended, is hereby amended-

"(1) by striking out the period at the end of the second sentence and by inserting a colon and the following: 'Provided, That with respect to any loan, advance of credit, or purchase made after the effective date of the Housing Act of 1954, the amount of any claim for loss on any such individual loan, advance of credit, or purchase paid by the Commissioner under the provisions of this section to a lending institution shall not exceed 90 per centum of such loss.'; and "(2) by inserting at the end thereof the

following:

"'After the effective date of the Housing Act of 1954, (i) the Commissioner shall not enter into contracts for insurance pursuant to this section except with lending institutions which are subject to the inspection and supervision of a governmental agency required by law to make periodic examinations of their books and accounts, and which the Commissioner finds to be qualified by experience or facilities to make and service such loans, advances or purchases, and with such other lending institutions which the Commissioner approves as eligible for insurance pursuant to this section on the basis of their credit and their experience or facilities to make and service such loans, advances or purchases; (ii) only such items as substantially protect or improve the basic livability or utility of properties shall be eligible for financing under this section, and therefore the Commissioner shall from time to time declare ineligible for financing under this section any item, product, alteration, repair, improvement, or class thereof which he de-termines would not substantially protect or improve the basic livability or utility of such properties, and he may also declare ineligible financing under this section any item which he determines is especially subject to selling abuses; and (iii) the Commissioner is hereby authorized and directed, by such regulations or procedures as he shall deem advisable, to prevent the use of any financial assistance under this section (1) with respect to new residential structures that have not been completed and occupied for at least six months, or (2) which would, through multiple loans, result in an outstanding aggregate loan balance with respect to the same structure exceeding the dollar amount limitation prescribed in this subsection for the type of loan involved.

"(b) As used in the amendments made by subsection (a) of this section 'effective date of the Housing Act of 1954' shall mean the first day after the first full calendar month following the date of approval of the Housing Act of 1954.

'SEC. 102. Section 2 (f) of said Act, as amended, is hereby amended by adding the following at the end thereof: "The account heretofore established in connection with insurance operations under this section and identified in the accounting records of the Federal Housing Administration as the Title I Claims Account shall be terminated as of August 1, 1954, at which time all of the re-maining assets of such account, together with deposits therein for the account of obligors, shall be transferred to and merged with the account established pursuant to this subsection. Moneys in the account es-tablished pursuant to this subsection not needed for the current operations of the Federal Housing Administration may be invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States.

"Sec. 103. Section 8 of said Act, as amended, is hereby amended by striking the period at the end of subsection (a) and inserting a colon and the following: 'And provided further, That no mortgage shall be insured unthis section after the effective date of the Housing Act of 1954, except pursuant to a commitment to insure issued on or before such date."

"Amendments of title II of National Housing Act

"Sec. 104. Section 203 (b) (2) of said Act, as amended, is hereby amended to read as follows:

"'(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed \$20,000 in the case of property upon which there is located a dwelling designed principally (whether or not it may be intended to be rented temporarily for school purposes) for a one- or two-family residence; or \$27,500 in the case of a threefamily residence; or \$35,000 in the case of a four-family residence; and not to exceed ar amount equal to the sum of (i) 95 per centum (but, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, 90 centum) of \$9,000 of the appraised value (as of the date the mortgage is accepted for insurance), and (ii) 75 per centum of such value in excess of \$9,000, except that the President may increase such dollar amounts up to not to exceed \$10,000 if, after taking into consideration the general effect of such higher dollar amounts upon conditions in the building industry and upon the national economy, he determines such action to be in the public interest: Provided, That if the mortgagor is not the occupant of the property the principal obligation of the mortgage shall not exceed an amount equal to 85 per centum of the amount computed under the foregoing provisions of this paragraph (2): Provided further, That the mortgagor shall have paid on account of the property at least 5 per centum (or such larger amount as the Commissioner may determine) of the Commissioner's estimate of the cost of acquisition in cash or its equiva-

"Sec. 105. Section 203 (b) (3) of said Act, as amended, is hereby amended to read as follows:

"'(3) Have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty years from the date of the insurance of the mortgage or three-quarters of the Commissioner's estimate of the remaining economic life of the building improvements, whichever is the lesser.'

"SEC. 106. Section 203 (b) (5) of said Act, as amended, is hereby amended to read as follows:

"'(5) Bear interest (exclusive of premium charges for insurance, and service charges if any) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner necessary to meet the mortgage market.

"SEC. 107. Section 203 (c) of said Act, as amended, is amended by striking out of the second sentence the word 'Provided' and in-serting: 'Provided, That debentures pre-sented in payment of premium charges shall represent obligations of the particular insurance fund to which such premium charges are to be credited: Provided further'.

"Sec. 108. Section 203 (d) of said Act, as amended, is hereby amended by striking the

period at the end thereof and inserting a colon and the following: 'And provided fur-ther, That no mortgage shall be insured pursuant to this subsection after the effective date of the Housing Act of 1954, except pursuant to a commitment to insure issued on or before such date.'

"Sec. 109. Subsections (f) and (g) of section 203 of said Act, as amended, are hereby repealed.

"SEC. 110. Section 203 of said Act, amended, is hereby further amended by adding the following new subsections at the end thereof:

"'(h) Notwithstanding any other provision of this section, the Commissioner is au-thorized to insure any mortgage which involves a principal obligation not in excess of \$7,000 and not in excess of 100 per centum of the appraised value of a property upon which there is located a dwelling designed principally for a single-family residence, where the mortgagor is the owner and occupant and establishes (to the satisfaction of the Commissioner) that his home which he occupied as an owner or as a tenant was destroyed or damaged to such an extent that reconstruction is required as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe which the President, pursuant to section 2 (a) of the Act entitled 'An Act to authorize Federal assistance to States and local governments in major disasters and for other purposes" (Public Law 875, Eighty-first Congress, approved September 30, 1950), as amended, has deter-

mined to be a major disaster. "'(i) Notwithstanding any other provision of this section, the Commissioner is authorized to insure any mortgage which involves a principal obligation not in excess of \$6,650 and not in excess of 95 per centum of the appraised value, as of the date the mortgage is accepted for insurance, of a property in an area where the Commissioner finds it is not practicable to obtain conformity with many of the requirements essential to the insurance of mortgages on housing in builtup urban areas, upon which there is located a dwelling designed principally for a single family residence, and which is approved for mortgage insurance prior to the beginning of construction: Provided, That (1) the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 per centum of the Commissioner's estimate of the cost of acquisition in cash or its equivalent, or (2) the mortgagor shall be the owner and occupant of the property at the time of insurance, regardless of his credit standing, with whom a person or corporation having a credit standing satisfactory to the Commissioner, shall have entered into a written contract (a) to pay on behalf of the prospective owner and occupant all or part of the downpayment required by this paragraph agreeing to take as security a note from the latter bearing interest at the rate of not more than 4 per centum per annum, maturing after the last maturity date of principal due on the insured mortgage, with a right in the holder to accelerate maturity to a date following prepayment of the entire mortgage debt, under the terms of which note all rights of such person or corporation are subordinated to the rights of the mortgagee or assignees of the mortgagee, and (b) to guarantee payment of the insured mortgage by the owner and occu-pant according to the terms of the mortgage, or (3) shall be the builder constructing dwelling; in which case the principal obligation shall not exceed 85 per centum of the appraised value of the property or \$5,950:

Provided further, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in

suburban and outlying areas or small com-munities: Provided further, That under the foregoing provisions of this subsection the Commissioner is authorized to insure any mortgage issued with respect to the construction of a farm home on a plot of land five or more acres in size adjacent to a public highway, the total amount of insurance outstanding at any one time under this proviso not to exceed \$100,000,000.'
"Sec. 111. Section 204 (a) of said Act, as

amended, is hereby amended-

(1) by striking out of the third sentence the words 'any mortgage insurance premiums paid after either of such dates' and inserting 'any mortgage insurance premiums paid after either of such dates, and any tax imposed by the United States upon any deed or other instrument by which said property was acquired by the mortgagee and transferred or conveyed to the Commissioner';
"(2) by striking out of the second proviso

the words 'or under section 213 of this Act,' and inserting the following: 'or under section 213 of this Act, or with respect to any mortgage accepted for insurance under section 203 on or after the effective date of the

Housing Act of 1954,'; and

"(3) by striking the period at the end thereof and inserting a colon and the fol-lowing: 'And provided further, That, notwithstanding any requirement contained in this Act that debentures may be issued only upon acquisition of title and possession by the mortgagee and its subsequent convey ance and transfer to the Commissioner, and for the purpose of avoiding unnecessary convevance expense in connection with payment of insurance benefits under the provisions of this Act, the Commissioner is authorized. subject to such rules and regulations as he may prescribe, to permit the mortgagee to tender to the Commissioner a satisfactory conveyance of title and transfer of possession direct from the mortgagor or other appropriate grantor and to pay the insurance benefits to the mortgagee which it would otherwise be entitled to if such conveyance had been made to the mortgagee and from mortgagee to the Commissioner'.

"Sec. 112. (a) Section 204 (d) of said Act as amended, is hereby amended by striking out of the second sentence thereof the words 'three years after the 1st day of July following the maturity date of the mortgage on the property in exchange for which the debentures were issued, except that debentures issued with respect to mortgages insured under section 213 shall mature twenty years after the date of such debentures' and in-

serting 'twenty years after the date thereof'.

"(b) Section 207 (i) of said Act, as amended, is hereby amended by striking out of the second sentence thereof 'ten' and inserting

'twenty'.

"(c) Section 803 (f) of said Act, as amended, is hereby amended by striking out of the second sentence thereof 'ten' and inserting 'twenty'.

"(d) Section 904 (d) of said Act, as amended, is hereby amended by striking out of the third sentence thereof the word 'ten' and

inserting 'twenty'.

"(e) This section shall not apply in any case where the mortgage involved was insured or the commitment for such insurance was issued prior to the effective date of the

"SEC. 113. Section 204 of said Act, as amended, is hereby amended by adding at the end thereof the following new sub-

section:

"'(j) In the event that any mortgagee under a mortgage insured under section 203 forecloses on the mortgaged property but does not convey such property to the Com-missioner in accordance with this section, and the Commissioner is given written notice thereof, or in the event that the mortgagor pays the obligation under the mortgage in full prior to the maturity thereof, and the mortgagee pays any adjusted premium charge

required under the provisions of section 203 (c), and the Commissioner is given written notice by the mortgagee of the payment of such obligation, the obligation to pay any subsequent premium charge for insurance shall cease, and all rights of the mortgagee and the mortgagor under this section shall terminate as of the date of such notice.'

"SEC. 114. Section 205 of said Act, as amended, is hereby amended to read as

follows:

'SEC. 205. (a) The Commissioner shall establish as of July 1, 1954, in the Mutual Mortgage Insurance Fund a General Surplus Account and a Participating Reserve count. All of the assets of the General Re-insurance Account shall be transferred to the General Surplus Account whereupon the General Reinsurance Account shall be abolished. There shall be transferred from the various group accounts to the Participating Reserve Account as of July 1, 1954, an amount equal to the aggregate amount which would have been distributed under the provisions of section 205 in effect on June 30, 1954, if all outstanding mortgages in such group accounts had been paid in full on said date. All of the remaining balances of said group accounts shall as of said date be transferred to the General Surplus Account whereupon all of said group accounts shall be abolished.

(b) The aggregate net income thereafter received or any net loss therafter sustained by the Mutual Mortgage Insurance Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice.

'(c) Upon termination of the insurance obligation of the Mutual Mortgage Insurance Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such man-ner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: Provided, That, in no event, shall any such distributable share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance.

"'(d) No mortgagor or mortgagee of any mortgage insured under section 203 shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Fund and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.'

"SEC. 115. Section 207 (c) of said Act, as

amended, is hereby amended—
"(1) by inserting before the semicolon at the end of paragraph numbered (2) a colon and the following: 'And provided further, That nothing contained in this section shall preclude the insurance of mortgages covering existing construction located in slum or blighted areas, as defined in paragraph numbered (5) of subsection (a) of this section, and the Commissioner may require such re-pair or rehabilitation work to be completed as is, in his discretion, necessary to remove conditions detrimental to safety, health, or morals';

"(2) by striking out the word 'Alaska,' in paragraph numbered (2) and inserting 'Alaska, or in Guam,'; and

"(3) by striking out paragraph numbered (3) and inserting the following:

'(3) not to exceed, for such part of such property or project as may be attributable to dwelling use, \$2,000 per room (or \$7,200 per family unit if the number of rooms in such property or project is less than four per family unit): Provided, That as to projects to consist of elevator type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,000 per room to not to exceed \$2,400 per room and the dollar amount limitation of \$7,200

per family unit to not to exceed \$7,500 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator type structures of sound standards of construction and design.

"SEC. 116. Section 207 (d) of said Act, as amended, is hereby amended by inserting the words 'of the Housing Insurance Fund' between the words 'debentures' and 'issued' in

the first sentence of such section.

"Sec. 117. Section 207 (h) of said Act, as amended, is hereby amended by striking out the period at the end of the first sentence and adding the following: 'and a reasonable amount for necessary expenses incurred by the mortgagee in connection with the fore closure proceedings, or the acquisition of the mortgaged property otherwise, and the conveyance thereof to the Commissioner.'

"SEC. 118. Section 212 (a) of said Act, as amended, is hereby amended by inserting at the end thereof the following new sentence: The provisions of this section shall also apply to the insurance of any mortgage under section 220 which covers property on which there is located a dwelling or dwellings designed principally for residential use for twelve or more families.'

"SEC. 119. (a) Section 213 (b) of said Act, as amended, is hereby amended by striking

clauses (1) and (2) and inserting:
"'(1) not to exceed \$5,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised under Federal or State laws or by political sub-divisions of States or agencies thereof, as to rents, charges, and methods of operations;

"'(2) not to exceed, for such part of such property or project as may be attributable to dwelling use, \$2,250 per room (or \$8,100 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed: Provided, That if at least 65 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed \$2,375 per room (or \$8,550 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 95 per centum of the estimated value of the property or project when the proposed physical improvements are completed: Provided further, That as to projects which consist of elevator type structures, and to compensate for the higher costs incident to the construction of elevator type structures of sound standards of construction and design, the Commissioner may, in his discretion, increase the aforesaid dollar amount limitations per room or per family unit (as may be applicable to the particular case) within the following limits: (i) \$2,250 per room to not to exceed \$2,700; (ii) \$2,375 per room to not to exceed \$2,850; (iii) \$8,100 per family unit to not to exceed \$8,400; and (iv) \$8,550 per family unit to not to exceed \$8,900: And provided further, That for the purposes of this section the word 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President.'

"(b) Section 213 (c) of said Act, as amended, is hereby amended by striking from clause (1) 'paragraph (A), paragraph (C), or paragraph (D) of'.

"SEC. 120. Section 213 (f) of said Act, as amended, is hereby amended by striking the last sentence thereof.

"SEC. 121. Section 217 of said Act, as amended, is hereby amended to read as follows:

"'SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time), the aggregate amount of principal obligations of all mortgages which may be insured and outstanding at any one time under insurance contracts or commitments to insure pursuant to any section or title of this Act (except section 2) shall not exceed the sum of (a) the outstanding principal balances, as of July 1, 1954, of all insured mortgages (as estimated by the Commissioner based on scheduled amortization payments without taking into account pre-payments or delinquencies), (b) the principal amount of all outstanding commitments to insure on that date, and (c) \$1,500,000,000, except that with the approval of the President such aggregate amount may be increased by not to exceed \$500,000,000.

"'It is the intent and purpose of this section to consolidate and merge all existing mortgage insurance authorizations or existing limitations with respect to any section or title of this Act (except section 2) into one general insurance authorization to take the place of all existing authorizations or

limitations.

'SEC. 122. Section 219 of said Act, as amended, is hereby amended by striking out the words 'or the Defense Housing Insurance Fund,' and inserting 'the Defense Housing Insurance Fund, or the Section 220 Housing Insurance Fund.'.

"SEC. 123. Title II of said Act, as amended, is hereby amended by adding at the end thereof the following new sections:

"'Rehabilitation and neighborhood conservation housing insurance

"'SEC. 220. (a) The purpose of this section is to aid in the elimination of slums and blighted conditions and the prevention of the deterioration of residential property by supplementing the insurance of mortgages under sections 203 and 207 of this title with a system of mortgage insurance designed to assist the financing required for the rehabilitation of existing dwelling accommodations and the construction of new dwelling accommodations where such dwelling accommodations are located in an area referred to in paragraph (1) of subsection (d)

"'(b) The Commissioner is authorized, upon application by the mortgagee, to insure, as hereinafter provided, any mortgage (including advances during construction on mortgages covering property of the character described in paragraph (3) (B) of subsection (d) of this section) which is eligible for insurance as hereinafter provided, and, upon such terms and conditions as he may prescribe, to make commitments for the insurance of such mortgages prior to the date of their execution or disbursement thereon.

"'(c) As used in this section, the terms "mortgage", "first mortgage", "mortgagee", "mortgagor", "maturity date", and "State" shall have the same meaning as in section 201 of this Act.

"'(d) To be eligible for insurance under this section a mortgage shall meet the following conditions:

"'(1) The mortgaged property shall-

"'(A) be located in (i) the area of a slum clearance and urban redevelopment project covered by a Federal-aid contract executed, or a prior approval granted, pursuant to title I of the Housing Act of 1949, as amended, before the effective date of the Housing Act of 1954, or (ii) an urban renewal area (as defined in title I of the Housing Act of 1949, as amended) in a community respect-ing which the Housing and Home Finance Administrator has made the certification to the Commissioner provided for by subsection 101 (c) of the Housing Act of 1949, as amended: Provided, That a redevelopment plan or an urban renewal plan (as defined in title I of the Housing Act of 1949, as amended), as the case may be, has been approved for such area by the governing body of the locality involved and by the Housing and Home Finance Administrator, and said Administrator has certified to the Commissioner that such plan conforms to a general plan for the locality as a whole and that there exist the necessary authority and financial capacity to assure the completion of such redevelopment or urban renewal plan, and

"'(B) meet such standards and conditions as the Commissioner shall prescribe to establish the acceptability of such property for mortgage insurance under this section.

The mortgaged property shall be

held by-

'(A) a mortgagor approved by the Commissioner, and the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents or sales. charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed \$100 stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restriction or regulations. Such stock or interest shall be paid for out of the Section 220 Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; or

(B) by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or limited dividend or redevelopment or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure,

rate of return, or methods of operation.
"'(3) The mortgage shall involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in

an amount-

(A) not to exceed \$20,000 in the case of property upon which there is located a dwelling designed principally for a one- or twofamily residence; or \$27,500 in the case of a three-family residence; or \$35,000 in the case of a four-family residence; or in the case of a dwelling designed principally for residential use for more than four families (but not exceeding such additional number of family units as the Commissioner may prescribe) \$35,000 plus not to exceed \$7,000 for each additional family unit in excess of four located on such property; and not to exceed an amount equal to the sum of (i) 95 per centum (but, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, 90 per centum) of \$9,000 of the appraised value (as of the date the mortgage is accepted for insurance), and (ii) 75 per centum of such value in excess of \$9,000, except that the President may increase such dollar amounts up to not to exceed \$10,000 if, after taking into consideration the general effect of such higher dollar amounts upon conditions in the building industry and upon the national economy, he determines such action to be in the public interest: Provided, That if the mortgagor is not the occupant of the property the principal obligation of the mortgage shall not exceed an amount equal to 85 per centum of the amount computed under the foregoing provisions of this paragraph (A); or

'(B) (i) not to exceed \$5,000,000, or, if executed by a mortgagor coming within the provisions of paragraph (2) (B) of this sub-

section (d), not to exceed \$50,000,000; and
"'(ii) not to exceed 90 per centum of the estimated value of the property or project when the proposed improvements are com-pleted (the value of the property or project may include the land, the proposed physical improvements, utilities within the boundaries of the property or project, architect's fees, taxes, and interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner); and

"'(iii) not to exceed, for such part of such property or project as may be attributable to dwelling use, \$2,250 per room (or \$8,100 per family unit if the number of rooms in such property or project is less than four per family unit): Provided, That as to projects to consist of elevator-type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,250 per room to not to exceed \$2,700 per room and the dollar amount limitation of \$8,100 per family unit to not to exceed \$8,400 per family unit, as the case may be, to com-pensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design, except that the Commissioner may, by regulation, increase the foregoing limits by not to exceed \$1,000 per room in any geographical area where he finds that cost levels so require: And provided further, That nothing contained in this paragraph (B) shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section.

"'(4) The mortgage shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe, but as to mortgages coming within the provisions of paragraph (3) (A) of this subsection (d) not to exceed the maximum maturity prescribed by the provisions of section 203 (b) (3). The mortgage shall bear interest (exclusive of premium charges for insurance and service charge, if any) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner finds necessary to meet the mortgage market; contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Commissioner

may in his discretion prescribe.

(e) The Commissioner may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage. (f) The mortgagee shall be entitled to

receive the benefits of the insurance as here-

inafter provided-

"'(1) as to mortgages meeting the requirements of paragraph (3) (A) of subsection (d) of this section, as provided in section 204 (a) of this Act with respect to mortgages insured under section 203; and the provisions of subsections (b), (c), (d), (e), (f), (g), and (h) of section 204 of this Act shall be applicable to such mortgages insured under this section, except that all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Section 220 Housing Insurance Fund and all references therein to section 203 shall be construed to refer to this section; or

'(2) as to mortgages meeting the requirements of paragraph (3) (B) of subsection (d) of this section, as provided in section 207 (g) of this Act with respect to mortgages insured under said section 207, and the provisions of subsections (h), (i) (j), (k), and (l) of section 207 of this Act shall be applicable to such mortgages insured under this section, and all references therein to the Housing Insurance Fund or the Housing Fund shall be construed to refer to the Sec-

tion 220 Housing Insurance Fund.

"'(g) There is hereby created a Section 220 Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section, and the Commissioner is authorized to transfer to such Fund the sum of \$1,000,000 from the War Housing Insurance Fund established pursuant to the pro-visions of section 602 of this Act. General expenses of operation of the Federal Housing Administration under this section may be charged to the Section 220 Housing Insurance Fund.

"'Moneys in the Section 220 Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of such Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this section. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"'Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Section 220 Housing Insurance Fund. The principal of, and interest paid and to be paid on, debentures issued under this section, cash adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired under this section shall be charged to such Fund.

"'SEC. 221. (a) This section is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act in order to assist in relocating families to be displaced as the result of governmental action in a community respecting which (1) the Housing and Home Finance Administrator has made the certification to the Commissioner provided for by subsection 101 (c) of the Housing Act of 1949, as amended, or (2) there is being carried out a project covered by a Federal aid contract executed, or prior approval granted, by the Housing and Home Finance Administrator under title I of the Housing Act of 1949, as amended, before the effective date of the Housing Act of 1954. Mortgage insurance under this section shall be available only in those localities or communities which shall have requested such mortgage insurance to be provided: Provided, That the Commissioner shall prescribe such procedures as in his judgment are necessary to secure to the families to be so displaced, referred to above, a preference or priority of opportunity to purchase or rent such dwelling units: Pro-vided further, That the total number of dwelling units in properties covered by mortgage insurance under this section in any such community shall not exceed the aggre gate number of such dwelling units which the Housing and Home Finance Administrator, from time to time, certifies to the Commissioner to be needed for the relocation of families to be so displaced and who would be eligible to rent or purchase dwelling accommodations in properties covered by mortgage insurance authorized by this section: Provided further, That, with respect to any community referred to in clause (1) of this subsection, said Administrator shall not certify any dwelling units during any period when, in his opinion, the locality fails to carry out the workable program upon which said Administrator based the certification to the Commissioner that mortgage insurance

under this section may be made available in such community: And provided further, That with respect to any community referred to in clause (2) of this subsection (but not clause (1) thereof), the number of dwelling units certified by said Administrator shall not exceed the number which he estimates to be needed for the relocation of such displaced families during the period when the project referred to in said clause (2) is being

'(b) The Commissioner is authorized, upon application by the mortgagee, to insure under this section as hereinafter provided any mortgage which is eligible for insurance as provided herein and, upon such terms and conditions as the Commissioner may prescribe, to make commitments for the insurance of such mortgages prior to the date of their execution or disbursement thereon.

"'(c) As used in this section, the terms "mortgage," "first mortgage," "mortgagee," "mortgager," "maturity date" and "State" shall have the same meaning as in section

201 of this Act.

"'(d) To be eligible for insurance under

this section, a mortgage shall-

'(1) have been made to and be held by a mortgagee approved by the Commissioner as responsible and able to service the mort-

gage properly;

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed \$7,600, except that the Commissioner may by regulation increase this amount to not to exceed \$8,600 in any geographical area where he finds that cost levels so require, and not to exceed 95 per centum of the appraised value (as of the date the mortgage is accepted for insurance) of a property, upon which there is located a dwelling designed principally for a single-family residence: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of the insurance and shall have paid on account of the property at least 5 per centum of the Commissioner's estimate of the cost of acquisition in cash or its equivalent: Provided further, That nothing contained herein shall preclude the Com-missioner from issuing a commitment to ininsuring a mortgage pursuant thereto where the mortgagor is not the owner and occupant and the property is to be built or acquired and repaired or rehabili-tated for sale and the insured mortgage financing is required to facilitate the construction or the repair or rehabilitation of the dwelling and provide financing pending the subsequent sale thereof to a qualified owner-occupant, and in such instances the mortgage shall not exceed 85 per centum of the appraised value; or

(3) if executed by a mortgagor which is a private nonprofit corporation or associa-tion or other acceptable private nonprofit organization, regulated or supervised under Federal or State laws or by political subdivisions of States or agencies thereof, as to rents, charges, and methods of operation, in such form and in such manner as, in the opinion of the Commissioner, will effectuate the purposes of this section, the mortgage may involve a principal obligation not in excess of \$5,000,000; and not in excess of \$7,600 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed \$8,600 in any geographical area where he finds that cost levels so require, and not in excess of 95 per centum of Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated, for use as rental accommodations for ten or more families eligible for occupancy as provided in this

section; and "'(4) provide for complete amortization by periodic payments within such terms as

the Commissioner may prescribe, but not to exceed thirty years from the date of insurance of the mortgage or three-quarters of the Commissioner's estimate of the remaining economic life of the building improvements, whichever is the lesser; bear interest (exclusive of premium charges for insurance and service charge, if any) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner finds necessary to meet the mortgage market; and contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of gage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipa-tion of maturity, additional and secondary liens, and other matters as the Commissioner may in his discretion prescribe.

"'(e) The Commissioner may at any time,

under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mort-

'(f) The property or project shall comply with such standards and conditions as the Commissioner may prescribe to establish the acceptability of such property for mortgage insurance.

'(g) The mortgagee shall be entitled to receive the benefits of the insurance as here-

inafter provided-

'(1) as to mortgages meeting the requirements of paragraph (2) of subsection (d) of this section, as provided in section 204 (a) of this Act with respect to mortgages insured under section 203, and the provisions of subsections (b), (c), (d), (e), (f), (g), and (h) of section 204 of this Act shall be applicable to such mortgages insured under this section, except that all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Section 221 Housing Insurance Fund and all references therein to section 203 shall be construed to refer to this section; or

'(2) as to mortgages meeting the requirements of paragraph (3) of subsection (d) of this section, as provided in section 207 (g) of this Act with respect to mortgages insured under said section 207, and the provisions of subsections (h), (i), (j), (k), and (l) of section 207 of this Act shall be applicable to such mortgages insured under this section, and all references therein to the Housing Insurance Fund or the Housing Fund shall be construed to refer to the Section 221 Hous-

ing Insurance Fund; or

'(3) in the event any mortgage insured under this section is not in default at the expiration of twenty years from the date the mortgage was endorsed for insurance, the mortgagee shall, within a period thereafter to be determined by the Commissioner, have the option to assign, transfer, and deliver to the Commissioner the original credit instrument and the mortgage securing the same and receive the benefits of the insurance as hereinafter provided in this paragraph, upon compliance with such requirements and conditions as to the validity of the mortgage as a first lien and such other matters as may be prescribed by the Commissioner at the time the loan is endorsed for insurance. Upon such assignment, transfer, and delivery the obligation of the mortgagee to pay the premium charges for insurance shall cease. and the Commissioner shall, subject to the cash adjustment provided herein, issue to the mortgagee debentures having a total face value equal to the amount of the original principal obligation of the mortgage which was unpaid on the date of the assignment, plus accrued interest to such date. Debentures issued pursuant to this paragraph (3)

accommodations for servicemen in the Armed shall be issued in the same manner and subject to the same terms and conditions as Forces of the United States and their famdebentures issued under paragraph (1) of ilies, and servicemen in the United States Coast Guard and their families, by supplethis subsection, except that the debentures issued pursuant to this paragraph (3) shall menting the insurance of mortgages under be dated as of the date the mortgage is section 203 of this title with a system of mortgage insurance specially designed to assist the financing required for the conassigned to the Commissioner, and shall bear interest from such date at the going Federal struction or purchase of dwellings by those persons. As used in this section, a "serviceman" means a person to whom the Secretary of Defense (or any officer or employee designated by him), or the Secretary of the Treasury (or any officer or employee designated by him), as the case may be, has issued a certificate hereunder indicating that such person requires housing, is serving on active duty in the Armed Forces of the United States or in the United States Coast Guard and has served on active duty for more than two years, but a certificate shall not be issued hereunder to any person ordered to active duty for training purposes only. The Secretary of Defense and the Secretary of the Treasury, respectively, are authorized to prescribe rules and regulations governing the issuance of such certificates and may withhold issuance of more than one such certificate to a serviceman whenever in his discretion issuance is not justified due to circumstances resulting from military assignment, or, in the case of the United States Coast Guard, other assignment. "'(b) In addition to mortgages insured

under section 203, the Commisioner may, for the purpose of this section, insure any mortgage under this section which would be eligible for insurance under section 203, except that as to mortgages so insured the maximum ratio of loan to value may, in the discretion of the Commissioner, exceed the maximum ratio of loan to value prescribed in section 203 but not to exceed in any event 95 per centum of the appraised value of the property and not to exceed \$17,100: Provided, That a mortgage insured under this section shall have been executed by a mortgagor who is a serviceman and who, at the time of insurance, is the owner of the property and either occupies the property or certifies that his failure to do so is the result of his military assignment, or, in the case of the United States Coast

Guard, other assignment.

"'(c) The Commissioner may prescribe the manner in which a mortgage may be accepted for insurance under this section. Premiums fixed by the Commissioner under section 203 with respect to, or payable during, the period of ownership by a serviceman the property involved shall not be payable by the mortgagee but shall be paid not less frequently than once each year, upon request of the Commissioner to the Secretary of Defense or the Secretary of the Treasury, as the case may be, from the respective appropriations available for pay and allowances of persons eligible for mortgage insurance under this section. As used herein, "the period of ownership by a serviceman" means the period, for which premiums are fixed, prior to the date that the Secretary of Defense (or any officer or employee or other person designated by him) or the Secretary of the Treasury (or any officer or employee or other person designated by him), as the case may be, furnishes the Commissioner with a certification that such ownership (as defined by the Commissioner) has terminated.

"'(d) Any mortgagee under a mortgage insured under this section is entitled to the benefits of the insurance as provided in section 204 (a) with respect to mortgages insured under section 203.

The provisions of subsections (b). (c), (d), (e), (f), (g), and (h) of section 204 shall apply to mortgages insured under this section, except that as applied to those mortgages (1) all references to the "Fund", or "Mutual Mortgage Insurance Fund", shall refer to the "Servicemen's Mortgage Insurance Fund", and (2) all references to "section 203" shall refer to this section.

'(f) There is hereby created a Servicemen's Mortgage Insurance Fund to be used by the Commissioner as a revolving fund to carry out the provisions of this section, and the Commissioner is directed to transfer the sum of \$1,000,000 to such Fund from the War Housing Insurance Fund created by section 602 of this Act. Any premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Servicemen's Mortgage Insurance Fund. The principal of, and interest paid and to be paid on, debentures issued under this section, and cash adjustments and expenses incurred in the handling, management, renovation, and disposal of properties acquired under this section shall be charged to the Servicemen's Mortgage Insurance Fund. General expenses of operation of the Federal Housing Administration incurred under this section may be charged to the Servicemen's Mortgage Insurance Fund. Moneys in that Fund not needed for the current operation of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of that Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of Treasury, purchase in the open market debentures issued under this section. Those purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not rebarres!

"SEC. 125. Title II of said Act. as amended. is hereby further amended by adding at the end thereof the following new section to transfer to title II the mortgage insurance program in connection with the sale of certain publicly owned property as contained in section 610 of title VI; the insurance of mortgages to refinance existing loans insured under section 608 of title VI and sections 903 and 908 of title IX; and to authorize the insurance under title II of mortgages assigned to the Commissioner under insurance contracts and mortgages held by the Commissioner in connection with the sale of property acquired under insurance contracts:

" 'Miscellaneous housing insurance

"'SEC. 223. (a) Notwithstanding any of the provisions of this title, and without regard to limitations upon eligibility contained in section 203 or section 207, the Commissioner is authorized, upon application by the mortgagee, to insure or make commitments to insure under section 203 or section 207 of this title any mortgage-

"'(1) executed in connection with the sale by the Government, or any agency or official thereof, of any housing acquired or constructed under Public Law 849, Seventysixth Congress, as amended; Public Law 781, Seventy-sixth Congress, as amended; or Public Laws 9, 73, or 353, Seventy-seventh Congress, as amended (including any property acquired, held, or constructed in connection with such housing or to serve the inhabitants thereof); or

"'(2) executed in connection with the sale by the Public Housing Administration, or by any public housing agency with the approval of the said Administration, of any approval housing (including any property acquired, held, or constructed in connection with such housing or to serve the inhabitants thereof) owned or financially assisted pursuant to the provisions of Public Law 671, Seventy-sixth Congress; or

rate determined at the time of issuance. The term "going Federal rate" as used herein means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (consisting of January through June or July through December) which includes the issuance date of such debentures, which applicable rate for each such six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quo-tations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of eight to twelve years from the first day of such month of May or November (or, if no such obligations are outstanding, the obligation next shorter than eight years and the obligation next longer than twelve years, respectively, shall be used), and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum. The Commissioner shall have the same authority with respect to mortgages assigned to him under this paragraph as contained in section 207 (k) and section 207 (1) as to mortgages insured by the Commissioner and assigned to him under section 207 of this Act. "'(h) There is hereby created a Section 221 Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section, and the Commissioner is hereby authorized to transfer to such Fund the sum of \$1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. General expenses of operation of the Federal Housing Administration under this section may be charged to the Section 221 Housing Insur-

"'Moneys in the Section 221 Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of such Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under provisions of this section. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

ance Fund.

"'Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Section 221 Housing Insurance Fund. The principal of, and interest paid and to be paid on, debentures issued under this section, cash adjustments, and expenses incurred in the handling, management, renovation, and dis-

posal of properties acquired under this sec-tion shall be charged to such Fund.' "Sec. 124. Title II of said Act, as amended, is further amended by adding at the end thereof the following new section:

"'Mortgage insurance for servicemen

"'SEC. 222. (a) The purpose of this section is to aid in the provision of housing

"'(3) executed in connection with the sale by the Government, or any agency or official thereof, of any of the so-called Green-belt towns, or parts thereof, including proj-ects, or parts thereof, known as Greenhills, Ohio; Greenbelt, Maryland; and Greendale, Wisconsin, developed under the Emergency Relief Appropriation Act of 1935, or of any of the village properties or employee's housing under the jurisdiction of the Tennessee Valley Authority; or

"'(4) executed in connection with the sale by a State or municipality, or an agency, instrumentality, or political subdivision of either, of a project consisting of any permanent housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof), constructed by or on behalf of such State, municipality, agency, instrumentality, or political subdivision, for the occupancy of veterans of World War II, or Korean vet-erans, their families, and others; or

"'(5) executed in connection with the first resale, within two years from the date of its acquisition from the Government, of any portion of a project or property of the character described in paragraphs (1), (2),

and (3) above; or

"'(6) given to refinance an existing mortgage insured under section 608 of title VI prior to the effective date of the Housing Act of 1954 or under section 903 or section 908 of title IX: Provided, That the principal amount of any such refinancing mortgage shall not exceed the original principal amount or the unexpired term of such existing mortgage and shall bear interest at a rate not in excess of the maximum rate applicable to loans insured under section 203 or section 207, as the case may be, except that in any case involving the refinancing of a loan insured under section 608 or 908 in which the Commissioner determines that the insurance of a mortgage for an additional term will inure to the benefit of the applica-ble insurance fund, taking into consideration the outstanding insurance liability under the existing insured mortgage, such refinancing mortgage may have a term not more than twelve years in excess of the unexpired term of such existing insured mortgage: Provided, That a mortgage of the character described in paragraph (1), (2), (3), (4), or (5) shall have a maturity satisfactory to the Commissioner, but not to exceed maximum term applicable to loans insured under section 203 or section 207, as the case may be, and shall involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not exceeding 90 per centum of the appraised value of the mortgaged property, as determined by the Commissioner, and bear interest (exclusive of premium charges and service charges, if any) at not to exceed the maximum rate applicable to loans insured under section 203 or section 207, as the case may be, except that where a mortgage of a character described in paragraph (1), (2), (3), or (5) covers property held by a nonprofit cooperative ownership housing corporation or nonprofit cooperative ownership housing trust, the permanent occupancy of the dwellings of which is restricted to members of such corporation or to beneficiaries of such trust, if at least 65 per centum of such members or beneficiaries are veterans, such principal obligation may be in an amount not exceeding 95 per centum of such appraised value.

"'(b) The Commissioner shall also have authority to insure under this title any mortgage assigned to him in connection with payment under a contract of mortgage insurance or executed in connection with the sale by him of any property acquired under title I, title II, title VI, title VII, title VIII, or title IX without regard to any limitation upon eligibility contained in this title II.'

"SEC. 126. Title II of said Act, as amended, is hereby amended by adding at the end thereof the following new sections:

"'Debenture interest rate

" 'Sec. 224. Notwithstanding any provisions of this Act, debentures issued under any section of this Act with respect to a mortgage accepted for insurance on or after thirty days following the effective date of the Housing Act of 1954 (except debentures issued pursuant to paragraph (3) of section 221 (g) hereof) shall bear interest at the rate in effect at the time the mortgage is insured. The Commissioner shall from time to time, with the approval of the Secretary of the Treasury, establish such interest rate in an amount not in excess of the annual rate of interest determined by the Secretary of the Treasury, at the request of the Commissioner, by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the calendar month next preceding the establishment of such rate of interest, on all outstanding marketable obligations of the United States having a maturity date of fifteen years or more from the first day of such next preceding month, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum.

"'Open-end mortgages

"'SEC. 225. Notwithstanding any other provisions of this Act, in connection with any mortgage insured pursuant to any section of this Act which covers a property upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, the Commissioner is authorized, upon such terms and conditions as he may prescribe, to insure under said section the amount of any advance for the improvement or repair of such property made to the mortgagor pursuant to an "open-end" provision in the mortgage, and to add the amount of such advance to the original principal obligation in determining the value of the mortgage for the purpose of computing the amounts of debentures and certificate of claim to which the mortgagee may be entitled: Provided, That the Commissioner may require the payment of such charges, including charges in lieu of insurance premiums, as he may consider appropriate for the insurance of such "open-end" advances: Provided further, That only advances for such improvements or repairs as substantially protect or improve the basic livability or utility of the property involved shall be eligible for insurance under this section: Provided further, That no such advance shall be insured under this section if the amount thereof plus the amount of the unpaid balance of the original principal obligation of the mortgage would exceed the amount of such original principal obliga-tion unless the mortgagor certifies that the proceeds of such advance will be used to finance the construction of additional rooms or other enclosed space as a part of the dwelling: And provided further, That the insurance of "open-end" advances shall not be taken into account in determining the aggregate amount of principal obligations of mortgages which may be insured under

"'FHA appraisal available to home buyers

"'SEC. 226. The Commissioner is hereby authorized and directed to require that, in connection with any property upon which there is located a dwelling designed principally for a single-family residence or a two-family residence and which is approved for mortgage insurance under section 203, 213 with respect to any property or project of a corporation or trust of the character scribed in paragraph numbered (2) subsection (a) thereof, 220, 221, 222, or 903 of this Act, the seller or builder or such other person as may be designated by the Com-

missioner shall agree to deliver, prior to the sale of the property, to the person purchasing such dwelling for his own occupancy, a written statement setting forth the amount of the appraised value of the property as determined by the Commissioner. This section shall not apply in any case where the mortgage involved was insured or the commitment for such insurance was issued prior to the effective date of the Housing Act of 1954.

"'Builder's cost certification

"'SEC. 227. Notwithstanding any other provisions of this Act, no mortgage covering new or rehabilitated multifamily housing shall be insured under this Act unless the mortgagor has agreed (a) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (i) that the approved percentage of actual cost (as those terms are herein defined) equaled or exceeded the proceeds of the mortgage loan or (ii) the amount by which the proceeds of the mortgage loan exceeded such approved percentage of actual cost, as the case may be, and (b) to pay forthwith to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, certified to be in excess of such approved percentage of actual cost. As used in this section—
"'(a) The term "new or rehabilitated mul-

tifamily housing" means a project or property approved for mortgage insurance prior to the construction or the repair and rehabilitation involved and covered by a mortgage in-sured or to be insured (i) under section 207, (ii) under section 213 with respect to any property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) thereof, (iii) under section 220 if the mortgage meets the requirements of paragraph (3) (B) of sub-section (d) thereof, (iv) under section 221, (v) under section 803, or (vi) under sections

903 and 908.

"'(b) The term "approved percentage" means the percentage figure which, under applicable provisions of this Act, the Commissioner is authorized to apply to his estimate of value or replacement cost, as the case may be, of the property or project in determining the maximum insurable mort-

gage amount; and

(c) The term "actual cost" has the following meaning: (i) in case the mortgage is to assist the financing of new construction, the term means the actual cost to the mortgagor of such construction, including amounts paid for labor, materials, construction contracts, off-site public utilities, streets, organizational and legal expenses, and other items of expense approved by the Commissioner, plus (1) a reasonable allow-ance for builder's profit if the mortgagor is also the builder as defined by the Commissioner, and (2) an amount equal to the Commissioner's estimate of the fair market value of any land (prior to the construction of the improvements built as a part of the project) in the property or project owned by the mortgagor in fee (or, in case the land in the property or project is held by the mortgagor under a leasehold or other interest less than a fee, such amount as the mortgagor paid for the acquisition of such leasehold or other interest but, in no event, in exces the fair market value of such leasehold or other interest exclusive of the proposed improvements), but excluding the amount of any kickbacks, rebates, or trade discounts received in connection with the construction of the improvements, or (ii) in case the mortgage is to assist the financing of repair or rehabilitation, the term means the actual cost to the mortgagor of such repair or rehabilitation, including the amounts paid for labor, materials, construction contracts, for labor, materials, construction contracts, off-site public utilities, streets, organization and legal expenses, and other items of expense approved by the Commissioner, plus (1) a reasonable allowance for builder's profit

if the mortgagor is also the builder as defined by the Commissioner, and (2) an additional amount equal to (A) in case the land and improvements are to be acquired by the mortgagor and the purchase price thereof is to be financed with part of the proceeds of the mortgage, the purchase price of such land and improvements prior to such repair or rehabilitation, or (B) in case the land and improvements are owned by the mortgagor subject to an outstanding indebtedness to be refinanced with part of the proceeds of the mortgage, the amount of such outstanding indebtedness secured by such land and improvements, but excluding (for the purposes of this clause (ii)) the amount of any kickbacks, rebates, or trade discounts received in connection with the construction of the improvements: Provided, That such additional amount under either (A) or (B) of this clause (ii) shall in no event exceed the Commissioner's estimate of the fair market value of such land and improvements prior to such repair or rehabilitation.

"'SEC. 228. Notwithstanding section 505 of the Classification Act of 1949, as amended, the Commissioner may establish and place one position in grade GS-18, four positions in grade GS-17, and eight positions in grade GS-16 in the Federal Housing Administration, which positions shall be in lieu of any positions presently allocated in the Federal Housing Administration under said section 505."

"Additional amendments relating to Federal Housing Administration

"Sec. 127. Title VI of said Act, as amended, is hereby amended by adding the following new section at the end thereof:

"'Sec. 612. Notwithstanding any other provision of this title, no mortgage or loan shall be insured under any section of this title after the effective date of the Housing Act of 1954 except pursuant to a commitment to insure issued on or before such date.'

"Sec. 128. (a) Section 803 (a) of said Act, as amended, is amended by striking out 'July 31, 1954' and substituting therefor 'June 30, 1955'.

"(b) Section 903 (a) of said Act, as amended, is hereby amended by adding the following before the last proviso thereof: 'Provided further, That the Commissioner shall require each dwelling covered by a mortgage insured under this section, for which a commitment to insure is issued after the effective date of the Housing Act of 1954, to be held for rental for a period of not less than three years after the dwelling is made available for initial occupancy:'.

"SEC. 129. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended as follows: (1) by striking out the material within the parentheses in clause (a) and substituting therefor 'except (i) pursuant to a commitment to insure issued on or before such date or (ii) after July 31, 1954, and until July 1, 1955, during such period, or for such project or projects, as the President may designate hereunder, and (2) by adding after the last comma in clause (b) 'except after the last comma in clause (b) after July 31, 1954, and until July 1, 1955, during such period, or for such project or projects, as the President may designate hereunder: Provided, That, to the extent necessary to assure the adequate completion of any facilities for which prior agreements have been made under title III, the Housing and Home Finance Administrator may, at any time after July 31, 1954, enter into amendatory agreements under such title involving the expenditure of additional Federal funds within the balance available therefor on or before such date."

"Sec. 130. The paragraph following paragraph numbered (3) of section 803 (b) of the National Housing Act, as amended, and paragraph numbered (3) of section 908 (b) of said Act, as amended, are hereby amended to read as follows: "The mortgagor shall enter

into the agreement required by section 227 of this Act, as amended.'

"Sec. 131. The eighth paragraph of section 709 of title 18 of the United States Code is hereby amended to read as follows:

'Whoever uses as a firm or business name the words "Housing and Home Finance Agency", "Federal Housing Administration", "Federal National Mortgage Association", or "Public Housing Administration" or the letters "FHA" or any combination or variation of those words or the letters "FHA" alone or with other words or letters reasonably calculated to convey the false impression that such name or business has some connection with, or authorization from, the Housing and Home Finance Agency, the Federal Housing Administration, the Federal National Mortgage Association, the Public Housing Administration, the Government of the United States or any agency thereof, which does not in fact exist, or falsely claims that any repair, improvement, or alteration of any existing structure is required or recommended by the Housing and Home Fi-nance Agency, the Federal Housing Administration, the Federal National Mortgage Association, the Public Housing Administration, the Government of the United States or any agency thereof, for the purpose of inducing any person to enter into a contract for the making of such repairs, alterations, or improvements, or falsely advertises or falsely represents by any device whatsoever that any housing unit, project, business, or product has been in any way endorsed, authorized, inspected, appraised, or approved by the Housing and Home Finance Agency, Federal Housing Administration, the Federal National Mortgage Association, the Public Housing Administration, the Government of the United States or any agency thereof: or'.

"Sec. 132. Title V of the National Housing Act, as amended, is hereby amended by adding the following new sections after section 511.

"'SEC. 512. Notwithstanding any provision of law, the Commissioner is authorized to refuse the benefits of participation (either directly as an insured lender or as a borrower, or indirectly as a builder, contractor, or dealer, or salesman or sales agent for a builder, contractor or dealer) under title I, II, VI, VII, VIII, or IX of this Act to any person or firm (including but not limited to any individual, partnership, association, trust, or corporation) if the Commissioner has determined that such person or firm (1) has knowingly or willfully violated any provision of this Act or of title III of the Servicemen's Readjustment Act of 1944. as amended, or of any regulation issued by the Commissioner under this Act or by the Administrator of Veterans' Affairs under said title III, or (2) has, in connection with any construction, alteration, repair or improvement work financed with assistance under this Act or under said title III, or in connection with contracts or financing relating to such work, violated any Federal or State penal statute, or (3) has failed materially to properly carry out contractual obligations with respect to the completion of construction, alteration, repair, or improvement work financed with assistance under this Act or under title III of the Servicemen's Readjustment Act of 1944, as amended. Before any such determination is made any person or firm with respect to whom such a determination is proposed shall be notified in writing by the Commissioner and shall be entitled, upon making a written request to the Commissioner, to a written notice speci-fying charges in reasonable detail and an opportunity to be heard and to be represented by counsel. Determinations made by the Commissioner under this section shall be based on the preponderance of the evidence.

"'SEC. 513. (a) The Congress hereby declares that it has been its intent since the enactment of the National Housing Act that housing built with the aid of mortgages insured under that Act is to be used principally for residential use; and that this intent excludes the use of such housing for transient or hotel purposes while such insurance on the mortgage remains outstanding.

"'(b) Notwithstanding any other provisions of this Act, no new, existing, or rehabilitated multifamily housing with respect to which a mortgage is insured under this Act shall be operated for transient or hotel purposes unless (1) on or before May 28, 1954, the Commissioner has agreed in writing to the rental of all or a portion of the accommodations in the project for transient or hotel purposes (in which case no accommodations in excess of the number so agreed to by the Commissioner shall be rented on such basis) or (2) the project covered by the insured mortgage is located in an area which the Commissioner determines to be a resort area. and the Commissioner finds that prior to May 28, 1954, a portion of the accommodations in the project had been made available for rent for transient or hotel purposes (in which case no accommodations in excess of the number which had been made available for such use shall be rented on such basis).

"'(c) Notwithstanding any other provisions of this Act, no mortgage with respect to multifamily housing shall be insured under this Act (except pursuant to a commitment to insure issued prior to the effective date of the Housing Act of 1954), and (except as to housing coming within the provisions of clause (1) or clause (2) of the preceding subsection) no mortgage with respect to multifamily housing shall be insured for an additional term, unless (1) the mortgagor certifies under oath that while such insurance remains outstanding he will not rent, or permit the rental of, such housing or any part thereof for transient or hotel purposes, and (2) the Commissioner has entered into such contract with, or purchased such stock of, the mortgagor as the Commissioner deems necessary to enable him to prevent or terminate any use of such property or project for transient or hotel purposes while the mortgage insurance remains outstanding.

(d) The Commissioner is hereby authorized and directed to enforce the provisions of this section by all appropriate means at his disposal, as to all existing multifamily housing with respect to which a mortgage was insured under this Act prior to the effective date of the Housing Act of 1954 as well as to all multifamily housing with respect which a mortgage is hereafter insured under this Act: Provided, That no criminal penalty shall, by reason of enactment of this section, be applicable to the rental or operation of any such existing multifamily housing in violation of any provision of subsection (b) of this section at any time prior to the effective date of the Housing Act of

"'(e) As used in this section, (1) the term "rental for transient or hotel purposes" shall have such meaning as prescribed by the Commissioner but rental for any period less than thirty days shall in any event constitute rental for such purposes, and (2) the term "multifamily housing" shall mean (i) a property held by a mortgagor upon which there are located five or more single family dwellings, or upon which there is located a two-, three-, or four-family dwelling, or (ii) a property or project covered by mortgage insured or to be insured under section 207, under section 213 with respect to any property or project of a corporation or trust of the character described in paragraph num-bered (1) of subsection (a) thereof, under section 220 if the mortgage is within the provisions of paragraph (3) (B) of subsection (d) thereof, under section 221 if the mortgage is within the provisions of paragraph (3) of subsection (d) thereof, under section 608, under section 803, or under section 908, or (iii) a project with respect to

which an insurance contract pursuant to title VII is outstanding.

"'(f) Promptly after receipt of written notice that any portion of any building is being rented or operated in violation of any provision of this section or of any rule or regulation lawfully issued thereunder, the Commissioner shall investigate the existence of the facts alleged in the written notice and shall order such violation, if found to exist, to cease forthwith.

"'(g) If such violation does not cease in accordance with such order, the Commissioner shall forward the complaint to the Attorney General of the United States for prosecution of such civil or criminal action, if any, which the Attorney General may find to be involved in such violation.

"'(h) Whenever he finds a violation of any provision of this section has occurred or is about to occur, the Attorney General shall petition the district court of the United States or the district court of any Territory or other place subject to United States jurisdiction within whose jurisdictional limits the person doing or committing the acts or practices constituting the alleged violation of this section shall be found, for an order enjoining such acts or practices, and upon a showing by the Attorney General that such acts or practices constituting such violation have been engaged in or are about to be engaged in, a permanent or temporary injunction, restraining order, or other order, with or without such injunction or restraining order, shall be granted without bond.

"'(i) Any person owning or operating a hotel within a radius of fifty miles of a place where a violation of any provision of this section has occurred or is about to occur, or any group or association of hotel owners or operators within said fifty-mile radius, at his or their sole charge or cost, may petition any district court of the United States or the district court of any Territory or other place subject to United States jurisdiction within whose jurisdictional limits the person doing or committing the acts or practices constituting the alleged violation of this section shall be found, for an order enjoining such acts or practices, and, upon a showing that such acts or practices constituting such violation have been engaged in or are about to be engaged in, a permanent or temporary injunction, restraining order, or other order, with or without such injunction or restraining order, shall be granted.

'(j) The several district courts of the United States and the several district courts of the Territories of the United States or other place subject to United States jurisdiction, within whose jurisdictional limits the person doing or committing the acts or practices constituting the alleged violation shall be found, shall, wheresoever such acts or practices may have been done or committed, have full power and jurisdiction to hear, try,

and determine such matter under subsec-tions (h) and (i) of this section.'

"TITLE II-FEDERAL NATIONAL MORTGAGE ASSOCIATION

"SEC. 201. Title III of the National Housing Act, as amended, is hereby amended to read as follows:

"'TITLE III-FEDERAL NATIONAL MORTGAGE ASSOCIATION

" 'Purposes

"'SEC. 301. The Congress hereby declares that the purposes of this title are to establish in the Federal Government a secondary market facility for home mortgages, to provide that the operations of such facility shall be financed by private capital to the maximum extent feasible, and to authorize such facility to-

"'(a) provide supplementary assistance to the secondary market for home mortgages by providing a degree of liquidity for mortgage investments, thereby improving the dis-

tribution of investment capital available for home mortgage financing;

'(b) provide special assistance (when, and to the extent that, the President has de-termined that it is in the public interest) for the financing of (1) selected types of home mortgages (pending the establishment of their marketability) originated under special housing programs designed to provide housing of acceptable standards at full economic costs for segments of the national population which are unable to obtain adequate housing under established home financing programs, and (2) home mortgages generally as a means of retarding or stopping a decline in mortgage lending and home building activities which threatens materially the stability of a high level national economy; and

(c) manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to

the Federal Government.

"'Creation of Association

"'SEC. 302. (a) There is hereby created a body corporate to be known as the "Federal National Mortgage Association" (hereinafter referred to as the "Association"), which shall be a constituent agency of the Housing and Home Finance Agency. The Association shall have succession until dissolved by Act of Congress. It shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof. Agencies or offices may be established by the Association in such other place or places as it may deem necessary or appropriate in the conduct of its business

(b) For the purposes set forth in section 301 and subject to the limitations and restrictions of this title, the Association is authorized to make commitments to purchase and to purchase, service, or sell, any residential or home mortgages (or participations therein) which are insured under this Act, as amended, or which are insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended: Provided, That (1) no mortgage may be purchased at a price exceeding 100 per centum of the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items; and (2) the Association may not purchase any mort gage if (i) it is offered by, or covers property held by, a Federal, State, territorial, or municipal instrumentality or (ii) the original principal obligation thereof exceeds or exceeded \$15,000 for each family residence or dwelling unit covered by the mortgage.

" 'Capitalization

"'SEC. 303. (a) The Association shall have nonvoting common stock; and initially shall also have nonvoting preferred stock to which the Secretary of the Treasury shall subscribe as provided in subsections (d) and (e) of this section. All stock of the Association shall have a par value of \$100 per share, and shall not be transferable except on the books of the Association. At the option of the Association all such stock shall be retirable at par value at any time, except that retirements of common stock shall not be made if, as a consequence, the amount thereof remaining outstanding would be less than \$100,000,000. With respect to the preferred stock held by him, the Secretary of the Treasury shall be entitled to cumulative dividends for each fiscal year or portion thereof, from the date or dates the capital represented by such preferred stock is initially utilized until such preferred stock is retired, at rates determined by him at the beginning of each such fiscal year, taking into consideration the current average interest rate on outstanding marketable obliga-tions of the United States as of the last day

of the preceding fiscal year. The Secretary of the Treasury shall permit the retirement of the preferred stock held by him in the manner provided in this section. Funds of the capital surplus and the general surplus accounts of the Association shall be available to retire the preferred stock held by the Secretary of the Treasury as rapidly as the Association shall deem feasible. Concurrently with the retirement of the last of such outstanding shares of preferred stock, the Association shall pay to the Secretary of the Treasury for covering into miscellaneous receipts an amount equal to that part of the general surplus and reserves of Association (other than reserves established to provide for any depreciation in value of its assets, including mortgages) which shall be deemed to have been earned through the use of the capital represented by the shares held by him from time to time. The amount of such payment shall be determined by applying to such surplus and reserves that percentage which is equivalent to the proportion borne by the employed capital represented by the Secretary's stock to the total employed capital of the Association, computed monthly for the period from the cutoff date determined pursuant to section 303 (d) of this title to the aforesaid retirement of the last of the outstanding shares of preferred stock of the Association.

(b) The Association shall accumulate funds for its capital surplus account from private sources by requiring each mortgage seller to make payments of nonrefundable capital contributions equal to not less than 3 per centum of the unpaid principal amount of mortgages therein involved in purchases or contracts for purchases between such seller and the Association, or such greater percentage as may from time to time be determined by the Association. In addition, the Association may impose charges or fees for its services with the objective that all costs and expenses of its operations should be within its income derived from such operations and that such operations should be fully self-supporting. All earnings from the operations of the Association shall annually be transferred to its general surplus account. At any time, funds of the general surplus account may, in the discretion of the board of directors, be transferred to reserves. All dividends shall be charged against the general surplus account. This subsection (b) shall be subject to the exceptions set forth in section 307 of this title.

"'(c) The Association shall issue, from time to time, to each mortgage seller its common stock (only in denominations of \$100 or multiples thereof) evidencing any capital contributions made by such seller pursuant to subsection (b) of this section. Such dividends as may be declared by the board of directors in its discretion shall be paid by the Association to the holders of its common stock, but in any one fiscal year the general surplus account of the Association shall not be reduced through the payment of dividends applicable to such common stock which exceed in the aggregate 5 per centum of the par value of the outstanding common stock of the Association: Provided, That pending the retirement of all the outstanding preferred stock of the Association such percentage with respect to any one fiscal year shall not exceed the percentage rate of the cumulative dividend applicable to the preferred stock of the Association for that fiscal

"'(d) Within ninety days following the effective date of the Housing Act of 1954, as of the day following a cutoff date to be determined by the Association, the Association is authorized and directed to issue and deliver to the Secretary of the Treasury, and the Secretary of the Treasury is authorized and directed to accept, preferred stock of the Association having an aggregate par value equal to the sum of (1) the amount of \$21,000,000 (being the amount of the original subscription for capital stock of \$20,000,000 and paid-in surplus of \$1,000,000 of the Association) and (2) an amount equal to the Association's surplus, surplus reserves, and undistributed earnings, computed as of the close of the cutoff date.

"'(e) The preferred stock of the Association delivered to the Secretary of the Treasury pursuant to subsection (d) of this section shall be in exchange for (1) the note or notes evidencing the aforesaid original \$21,000,000 (upon which the accrued interest shall have been paid through the cutoff date referred to in subsection (d) of this section), and (2) the release to the Association of any and all rights or claims which the United States might otherwise have or claim in and to the Association's capital, surplus, surplus reserves, and undistributed earnings, computed as of the close of the aforesaid cutoff date.

"'(f) Notwithstanding any other provision of law, any institution, including a national bank or State member bank of the Federal Reserve System or any member of the Federal Deposit Insurance Corporation, trust company, or other banking organization, organized under any law of the United States, including the laws relating to the District of Columbia, shall be authorized to make payments to the Association of the nonrefundable capital contributions referred to in subsection (b) of this section, to receive stock of the Association evidencing such capital contributions, and to hold or dispose of such stock, subject to the provisions of this title.

"'(g) As promptly as practicable after all of the preferred stock of the Association held by the Secretary of the Treasury has been retired, the Housing and Home Finance Administrator shall transmit to the President for submission to the Congress recommendations for such legislation as may be necessary or desirable to make appropriate provisions to transfer to the owners of the outstanding common stock of the Association the assets and liabilities of the Association in connection with, and the control and management of, the secondary market operations of the Association under section 304 of this title in order that such operations may thereafter be carried out by a privately owned and privately financed corporation.

"'Secondary market operations

"'SEC. 304. (a) To carry out the purposes set forth in paragraph (a) of section 301, the operations of the Association under this section shall be confined, so far as practicable, to mortgages which are deemed by the Association to be of such quality, type, and class as to meet, generally, the purchase standards imposed by private institutional mortgage investors and the Association shall not purchase any mortgage insured or guaranteed prior to the effective date of the Housing Act of 1954. In the interest of assuring sound operation, the prices to be paid by the Association for mortgages purchased in its secondary market operations under this section, should be established, from time to time, at the market price for the particular class of mortgages involved, as determined by the Association. The volume of the Association's purchases and sales, and the establishment of the purchase prices, sale prices, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time, and such determinations should be consistent with the objectives that such purchases and sales should be effected only at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting.

"'(b) For the purposes of this section, the Association is authorized to issue, upon the approval of the Secretary of the Treasury, and have outstanding at any one time obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association with the approval of the Secretary of the Treasury, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations; but the aggregate amount of obligations of the Association under this subsection outstanding at any one time shall not exceed ten times the sum of its capital, capital surplus, general surplus, reserves, and undistributed earnings, and in no event shall any such obligations be issued if, at the time of such proposed issuance, and as a consequence thereof, the resulting aggregate amount of its outstanding obligations under this subsection would exceed the amount of the Association's ownership pursuant to this section, free from any liens or encumbrances, of cash, mortgages, and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States. The Association shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that such obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Association. The Association is authorized to purchase in the open market any of its obligations outstanding under this subsec-

tion at any time and at any price.
"'(c) The Secretary of the Treasury is authorized in his discretion to purchase any obligations issued pursuant to subsection (b) of this section, as now or hereafter in force, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. The Secretary of the Treasury shall not at any time purchase any obligations under this subsection if (1) all of the preferred stock of the Association held by the Secretary of the Treasury has been retired, or (2) such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than \$500,000,000 plus an amount equal to the total of such reductions in the maximum dollar amount prescribed by section 306 (c) as have theretofore been effected pursuant to that section: Provided, That such aggregate principal amount under this subsection shall in no event exceed \$1,000,000,000. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such purchase. The Secretary of the Treasury may, at any time, sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

"'(d) The Association may not purchase participations or make any advance contracts or commitments to purchase mortgages for its operations under this section, except that the Association may, in the discretion of its board of directors, issue a pur-

chase contract (which shall not be assignable or transferable except with the consent of the Association) in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder thereof to sell to the Association mortgages in the amount of the contract, upon such terms and conditions as the Association may prescribe.

"'Special assistance functions

"'SEC. 305. (a) To carry out the purposes set forth in paragraph (b) of section 301, the President, after taking into account (1) the conditions in the building industry and the national economy and (2) conditions affecting the home mortgage investment market, generally, or affecting various types or classifications of home mortgages, or both, and after determining that such action is in the public interest, may under this section authorize the Association, for such period of time and to such extent as he shall prescribe, to exercise its powers to make commitments to purchase and to purchase such types, classes, or categories of home mortgages (including participations therein) as he shall determine.

"'(b) The operations of the Association under this section shall be confined, so far as practicable, to mortgages (including participations) which are deemed by the Association to be of such quality as to meet, substantially and generally, the purchase standards imposed by private institutional mortgage investors but which, at the time of submission of the mortgages to the Association for purchase, are not necessarily readily acceptable to such investors. Subject to the provisions of this section, the prices to be paid by the Association for mortgages purchased in its operations under this section shall be established from time to time by the Association. The Association shall impose charges or fees for its services under this section with the objective that all costs and expenses of its operations under this section should be within its income derived from such operations and that such operations should be fully self-supporting.

"'(c) The total amount of purchases and commitments authorized by the President pursuant to subsection (a) of this section shall not exceed \$200,000,000 outstanding at any one time: Provided, That, notwithstanding such limitation, the President pursuant to subsection (a) of this section may also authorize the Association to exercise its powers to enter into commitments to purchase immediate participations and to make re-lated deferred participation agreements as hereinafter in this subsection provided, but only to the extent that the total amount of such immediate participation commitments and purchases pursuant thereto (but not including the amount of any related deferred participation agreements or purchases pursuant thereto) shall not in any event exceed \$100,000,000 outstanding at any one time, and any such deferred participation agree-ments shall be made by the Association only on the basis of a commitment by it to purchase an immediate participation of a 20 per centum undivided interest in each mortgage and a related deferred participation agreement by the Association to purchase the remaining outstanding interest in such mortgage conditional upon the occurrence of such a default as gives rise to the right to foreclose.

"'(d) The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section, such obligations to mature not more than five years from their respective dates of issue, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, tak-

ing into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized to purchase any obligations of the Association to be issued under this section, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Association's obligations hereunder..

"'Management and liquidating functions

"'SEC. 306. (a) To carry out the purposes set forth in paragraph (c) of section 301, the Association is authorized and directed, as of the close of the cutoff date determined by the Association pursuant to section 303 (d) of this title, to establish separate accountability for all of its assets and liabilities (exclusive of capital, surplus, surplus reerves, and undistributed earnings to be evidenced by preferred stock as provided in section 303 (d) hereof, but inclusive of all rights and obligations under any outstanding contracts), and to maintain such separate accountability for the management and orderly liquidation of such assets and liabilities as provided in this section.

'(b) For the purposes of this section and to assure that, to the maximum extent, and as rapidly as possible, private financing be substituted for Treasury borrowings otherwise required to carry mortgages held under the aforesaid separate accountability, the Association is authorized to issue, upon the approval of the Secretary of the and have outstanding at any one time obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association with the approval of the Secretary of the Treasury, be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations; but in no event shall any such obligations be issued if, at the time of such proposed issuance, and as a consequence thereof, the resulting aggregate amount of its outstanding obligations under this subsection would exceed the amount of the Association's ownership under the aforesaid separate accountability, free from any liens or encumbrances, of cash, mortgages, and bonds or other obligations of. or bonds or other obligations guaranteed as to principal and interest by, the United States. The proceeds of any private financing effected under this subsection shall be paid to the Secretary of the Treasury in reduction of the indebtedness of the Associa-tion to the Secretary of the Treasury under the aforesaid separate accountability. Association shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that such ob-ligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instru-mentality thereof other than the Associa-tion. The Association is authorized to purchase in the open market any of its obligations outstanding under this subsection at any time and at any price.

"'(c) No mortgage shall be purchased by the Association in its operations under this section except pursuant to and in accordance with the terms of a contract or commitment to purchase the same made prior to the cutoff date provided for in section 303 (d), which contract or commitment became a part of the aforesaid separate accountability, and the total amount of mortgages and commitments held by the Association under this section shall not, in any event, exceed \$3,350,000,000: Provided, That such maximum amount shall

be progressively reduced by the amount of cash realizations on account of principal of mortgages held under the aforesaid separate accountability and by cancellation of any commitments to purchase mortgages there-under, as reflected by the books of the Association, with the objective that the entire aforesaid maximum amount shall be eliminated with the orderly liquidation of all mortgages held under the aforesaid separate accountability: And provided further, That nothing in this subsection shall preclude the Association from granting such usual and customary increases in the amounts of outstanding commitments (resulting from increased costs or otherwise) as have theretofore been covered by like increases in commitments granted by the agencies of the Federal Government insuring or guaranteeing the mortgages. There shall be excluded from the total amounts set forth in this subsection and subsection (e) of this section the amounts of any mortgages which, sub-sequent to May 31, 1954, are transferred by law to the Association and held under the aforesaid separate accountability.

"'(d) The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section, such obligations to mature not more than five years from their respective dates of issue, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized to purchase any obligations of the Association to be issued under this section, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Association's obligations hereunder.

"'(e) Of the \$3,650,000,000 total amount of investments, loans, purchases, and commitments heretofore authorized to be outstanding at any one time under this title III prior to the enactment of the Housing Act of 1954, a total of not to exceed \$300,000,000 shall be applicable as provided in section 305 of this title, and a total of not to exceed \$3,350,000,000 shall be applicable as provided in subsection (c) of this section.

"'Separate accountability

"'SEC. 307. (a) The Association shall establish and at all times maintain separate accountability for (1) its secondary market operations authorized by section 304 hereof,
(2) its special assistance functions authorized by section 305 hereof, and (3) its management and liquidating functions authorized by section 306 hereof.

"'(b) With respect to the functions or operations of the Association under sections 305 and 306, respectively, of this title, (1) there shall be no recourse to the capitalization of the Association provided for by section 303 of this title, and (2) mortgage sellers shall not be required to make payment to the Association of the capital contributions provided for by section 303 (b) of this title.

(c) All of the benefits and burdens incident to the administration of the functions and operations of the Association under sections 305 and 306, respectively, of this title, after allowance for related obligations of the Association, its prorated expenses, and the like, including amounts required for the es-tablishment of such reserves as the board of directors of the Association shall deem appropriate, shall inure solely to the Secretary of the Treasury, and such related earnings or other amounts as become available shall be paid annually by the Association to the Secretary of the Treasury for covering into miscellaneous receipts.

" 'Board of Directors

"'SEC. 308 (a). The Association shall have a Board of Directors consisting of five persons, one of whom shall be the Housing and Home Finance Administrator as Chairman of the Board, and four of whom shall be appointed by said Administrator from among the officers or employees of the Association, of the immediate office of said Administrator, or (with the consent of the head of such department or agency) of any other depart-ment or agency of the Federal Government. The board of directors shall meet at the call of its chairman, who shall require it to meet not less often than once each month. Within the limitations of law, the board shall determine the general policies which shall govern the operations of the Association. chairman of the board shall select and effect the appointment of qualified persons to fill the offices of president and vice president, and such other offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the board of directors, and such persons shall be the executive officers of the Association and shall discharge all such executive functions, powers, and duties. The basic rate of compensation of the position of president of the Association shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. members of the board, as such, shall not receive compensation for their services.

"'General powers

"'SEC. 309. (a) The Association shall have power to adopt, alter, and use a corporate seal, which shall be judicially noticed; by its board of directors, to adopt, amend, and repeal bylaws governing the performance of the powers and duties granted to or imposed upon it by law; to enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or the Commonwealth of Puerto Rico, or with any political subdivision thereof, or with any person, firm, association, or corpora-tion; to execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers; in its corporate name, to sue and to be sued, and to complain and to defend, in any court of competent jurisdiction, State or Federal, but no attachment, injunction, or other similar process, mesne or final, shall be issued against the property of the Association or against the Association with respect to its property; to conduct its business in any State of the United States, including the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States; to lease, purchase, or acquire any property, real, personal, or mixed, or any interest therein, to hold, rent, maintain, modernize, renovate, improve, use, and operate such property, and to sell, for cash or credit, lease, or otherwise dispose of the same, at such time and in such manner as and to the extent that the Association may deem necessary or appropriate; to prescribe, repeal, and amend modify, rules, regulations, or requirements governing the manner in which its general business may be conducted; to accept gifts or donations of services, or of property, real, personal, or mixed, tangible, or in-tangible, in aid of any of the purposes of the Association; and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"'(b) Except as may be otherwise provided in this title, in the Government Corporation Control Act, or in other laws specifically applicable to Government corporations, the Association shall determine the necessity for and the character and amount of its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for.

"'(c) The Association, including its franchise, capital, reserves, surplus, mortgages, and income shall be exempt from all tion now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that (1) any real property of the Association shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, and (2) the Association shall, with respect to its secondary market operations under section 304 after the cutoff date referred to in section 303 (d) of this title, pay annually to the Secretary of the Treasury, for covering into miscellaneous receipts, an amount equivalent to the amount of Federal income taxes for which it would be subject if it were not exempt from such taxes with respect to such secondary market operations.

'(d) The Chairman of the Board shall have power to select and appoint or employ such officers, attorneys, employees, and agents, to vest them with such powers and duties, and to fix and to cause the Association to pay such compensation to them for their services, as he may determine, subject to the civil service and classification laws. Bonds may be required for the faithful performance of their duties, and the Association may pay the premiums therefor. With the consent of any Government corporation or Federal Reserve bank, or of any board, commission, independent establishment, or executive department of the Government, the Association may avail itself on a reimbursable basis of the use of information, services, facilities, officers, and employees thereof, including any field service thereof, in carrying out the provisions of this title.

"'(e) No individual, association, partnership, or corporation, except the body corporate created by section 302 of this title, shall hereafter use the words "Federal National Mortgage Association" or any combination of such words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or cor poration violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding \$100 or imprisonment not exceeding thirty days or both, for each day during which such violation is committed or repeated.

"'(f) In order that the Association may be supplied with such forms of obligations or certificates as it may need for issuance under this title, the Secretary of the Treasury is authorized, upon request of the Association, to prepare such forms as shall be suitable and approved by the Association, to be held in the Treasury subject to delivery, upon order of the Association. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Association shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such forms.

'(g) The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Association in the general performance of its powers, and the Association shall reimburse such Federal Reserve banks for such services in such manner as may be agreed upon.

"'Investment of funds

" 'SEC. 310. Moneys of the Association not invested in mortgages or in operating facilities shall be kept in cash on hand or on deposit, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States.

> "'Obligations of Association legal investments

"'SEC. 311. All obligations issued by the Association shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof.

"'Short title

"'SEC. 312. This title III may be referred to as the "Federal National Mortgage Association Charter Act".

"Sec. 202. The Federal National Mortgage Association, established pursuant to the provisions of title III of the National Housing Act as in effect prior to July 1, 1948, and named in section 101 of the Government Corporation Control Act, as amended, shall be the body corporate referred to in section 302 of title III of the National Housing Act, as amended by the Housing Act of 1954.

"SEC. 203. The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is hereby amended by striking 'or obligations of national mortgage associations' and inserting 'or obligations of the Federal National Mortgage Association.'

SEC. 204. (a) Subsection (h) of section 11 of the Federal Home Loan Bank Act, as amended, is hereby amended by inserting after 'in obligations of the United States' a comma and the following: 'in obligations of the Federal National Mortgage Association,'. The last sentence of section 16 of said Act is amended by inserting after 'in direct obligations of the United States' a comma and the following: 'in obligations of the Federal National Mortgage Association,'.

"(b) The first paragraph of subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by inserting in the second proviso before the colon and after 'Federal Home Loan Bank' the following: 'or in the obligations of the Federal National Mortgage Association'.

"SEC. 205. Subsection (b) of section 2 of the Alaska Housing Act, as amended, is hereby repealed.

"SEC. 206. Public Law 243, Eighty-second Congress, approved October 30, 1951, as amended, is hereby repealed. Subsection (a) of section 608 of Public Law 139, Eightysecond Congress, approved September 1951, is hereby repealed.

SEC. 207. The functions of the Housing and Home Finance Administrator (including the function of making payments to the Secretary of the Treasury) under section 2 of Reorganization Plan Numbered 22 of 1950, together with the notes and capital stock of the Federal National Mortgage Association held by said Administrator thereunder, are hereby transferred to the Federal National Mortgage Association.

"TITLE III-SLUM CLEARANCE AND URBAN RENEWAL

"SEC. 301. The heading of title I of the Housing Act of 1949, as amended, is hereby amended to read 'TITLE I-SLUM CLEAR-ANCE AND URBAN RENEWAL'.

"SEC. 302. Title I of said Act, as amended, is hereby amended by inserting the following new section immediately after the heading of title I:

"'Urban renewal fund

"'SEC. 100. The authorizations, funds, and appropriations available pursuant to sections 103 and 104 hereof shall constitute a fund, to be known as the "Urban Renewal Fund",

and shall be available for advances, loans, and capital grants to local public agencies for urban renewal projects in accordance with the provisions of this title, and all contracts, obligations, assets, and liabilities existing under or pursuant to said sections prior to the enactment of the Housing Act of 1954 are hereby transferred to said Fund.

"SEC. 303. Section 101 of said Act, amended, is hereby amended to read as fol-

lows:
"'SEC. 101. (a) In entering into any contract for advances for surveys, plans, and other preliminary work for projects under this title, the Administrator shall give consideration to the extent to which appropriate local public bodies have undertaken positive programs (through the adoption, modernization, administration, and enforcement of housing, zoning, building and other local laws, codes and regulations relating to land use and adequate standards of health, sanitation, and safety for buildings, including the use and occupancy of dwellings) for (1) preventing the spread or recurrence in the community of slums and blighted areas, and (2) encouraging housing cost reductions through the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs.

"'(b) In the administration of this title, the Administrator shall encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified met-

ropolitan basis.

"'(c) No contract shall be entered into for any loan or capital grant under this title, or for annual contributions or capital grants pursuant to the United States Housing Act of 1937, as amended, for any project or projects not constructed or covered by a contract for annual contributions prior to the effective date of the Housing Act of 1954, and no mortgage shall be insured, and no commitment to insure a mortgage shall be issued, under section 220 or 221 of the National Housing Act, as amended, unless (1) there is presented to the Administrator by locality a workable program (which shall include an official plan of action, as it exists from time to time, for effectively dealing with the problem of urban slums and blight within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life) for utilizing appropriate private and public resources to eliminate, and prevent the development or spread of, slums and urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, deteriorated, or slum areas, or to undertake such of the aforesaid activities or other feasible community activities as may be suitably employed to achieve the objectives of such a program, and (2) on the basis of his review of such program, the Administrator determines that such program meets the requirements of this subsection and certifies to the constituent agencies affected that the Federal assistance may be made available in such community: Provided, That this sentence shall not apply to the insurance of, or commitment to insure, a mortgage under section 220 of the National Housing Act, as amended, if the mortgaged property is in an area referred to in clause (A) (i) of paragraph (1) of section 220 (d), or under section 221 of the National Housing Act, as amended, if the mortgaged property

is in a community referred to in clause (2) of section 221 (a) of said Act: And provided further, That, notwithstanding any other provisions of law which would authorize such delegation or transfer, there shall not be delegated or transferred to any other official (except an officer or employee of the Housing and Home Finance Agency serving as Acting Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office) the final authority vested in the Administrator (i) to determine whether any such workable program meets the requirements of this subsection, (ii) to make the certification that Federal assistance of the types enumerated in this subsection may be made available in such community, (iii) to make the certifi-cations as to the maximum number of dwelling units needed for the relocation of families to be displaced as a result of governmental action in a community and who would be eligible to rent or purchase dwelling accommodations in properties covered by mortgage insurance under section 221 of the National Housing Act, as amended, or (iv) to determine that the relocation re-quirements of section 105 (c) of this title have been met.

"'(d) The Administrator is authorized to establish facilities (1) for furnishing to communities, at their request, an urban re-newal service to assist them in the preparation of a workable program as referred to in the preceding subsection and to provide them with technical and professional assistance for planning and developing local urban renewal programs, and (2) for the assembly, analysis and reporting of information pertaining to such programs.

said Act, as "SEC. 304. Section 102 of

amended, is hereby amended-

"(1) by amending the first sentence in subsection (a) to read as follows: "To assist local communities in the elimination of slums and blighted or deteriorated or deteriorating areas, in preventing the spread of slums, blight or deterioration, and in providing maximum opportunity for the rede-velopment, rehabilitation, and conservation of such areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies in accordance with the provisions of this title for the undertaking of urban renewal projects.";

"(2) by inserting in the second sentence of subsection (a) before the word 'expenditures' the word 'estimated' and by inserting after the word 'bonds' the words 'or other

obligations';
"(3) by striking out 'new uses of land in
the project area' at the end of the first sentence of subsection (b) and inserting 'new uses of such land in the project area'

"(4) by striking out the words 'bear interest as such rate' in the second sentence of subsection (b) and inserting 'bear interest at such rate'; and

"(5) by amending subsection (d) to read

as follows:

"'(d) The Administrator may make advances of funds to local public agencies for surveys and plans for urban renewal projects which may be assisted under this title, including, but not limited to, (i) plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, (ii) plans for the enforcement of State and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements, and (iii) appraisals, title searches, and other preliminary work necessary to prepare for the acquisition of land in connection with the undertaking of such projects. The contract for any such advance of funds shall be made upon the condition that such advance of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which

become available to the local public agency for the undertaking of the project involved. No contract for any such advances of funds for surveys and plans for urban renewal projects which may be assisted under this title shall be made unless the governing body of the locality involved has by resolution or ordinance approved the undertaking of such surveys and plans and the submis-sion by the local public agency of an application for such advance of funds.'

"SEC. 305. Subsection (a) of section 103 of said Act, as amended, is hereby amended to

read as follows:

"'(a) The Administrator may make capital grants to local public agencies in accordance with the provisions of this title for urban renewal projects: Provided, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grant with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.'

"SEC. 306. Section 104 of said Act, as amended, is hereby amended by striking 'section 110 (f) of land' and inserting 'section

110 (f) of the property'.

"SEC. 307. Section 105 of said Act as

amended, is hereby amended—
"(1) by striking 'Contracts for financial aid' and inserting 'Contracts for loans or capital grants';

"(2) by amending subsections (a) and (b)

to read as follows:
"'(a) The urban renewal plan (including any redevelopment plan constituting a part thereof) for the urban renewal area be approved by the governing body of the lo-cality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the project to be undertaken in accordance with the urban renewal plan; the urban renewal plan will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise; and (iii) the urban renewal plan conforms to a general plan for the development of the locality as a whole:

"'(b) When real property acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees and their assignees shall be obligated (i) to devote such property to the uses specified in the urban renewal plan for the project area; (ii) to begin within a reasonable time any improvements on such property required by the urban renewal plan; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title: *Provided*, That clause (ii) of this subsection shall not apply to mortgagees and others who acquire an interest in such property as the result of the enforcement of any lien or claim thereon; ':

"(3) by striking the word 'project' wherever it appears in subsection (c) and inserting the term 'urban renewal'; and

(4) by striking out the proviso at the end of subsection (c), and substituting a period for the colon preceding said proviso.

"SEC. 308. Section 106 of said Act, as amended, is hereby amended by inserting the following proviso before the period at the end of subsection (b): ': Provided, That necessary expenses of inspections and audits, and of providing representatives at the site, of projects being planned or undertaken by

local public agencies pursuant to this title shall be compensated by such agencies by the payment of fixed fees which in the aggregate will cover the costs of rendering such services, and such expenses shall be considered nonadministrative; and for the purpose of providing such inspections and audits and of providing representatives at the sites, the Administrator may utilize any agency and such agency may accept reim-bursement or payment for such services from such local public agencies or the Administrator, and credit such amounts to the appropriations or funds against which such charges have been made'.

"SEC. 309. Section 107 of said Act. as amended, is hereby amended by striking out the words 'redevelopment plan' and insert-

ing 'urban renewal plan'.
"Sec. 310. Section 109 of said Act, amended, is hereby amended to read as fol-

lows:
"'SEC. 109. In order to protect labor stand-

"'(a) any contract for loan or capital grant pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as pre-determined by the Secretary of Labor pur-suant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics, except such laborers or mechanics who are employees of municipalities or other local public bodies, employed in the development of the project involved for work financed in whole or in part with funds made available pursuant to this title; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract; and

"'(b) the provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to work financed in whole or in part with funds made available for the development of a project pursuant to this title.'.

"SEC. 311. Section 110 of said Act, amended, is hereby amended to read as

follows:

'SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as

well as the singular number:
"'(a) "Urban renewal area" means a slum area or a blighted, deteriorated, or deteriorating area in the locality involved which the Administrator approves as appropriate for

an urban renewal project.

"'(b) "Urban renewal plan" means a plan, as it exists from time to time, for an urban renewal project, which plan (1) shall conform to the general plan of the locality as a whole and to the workable program referred to in section 101 hereof; (2) shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabili-tation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, building requirements, and the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (3) shall include, for any part of the urban renewal area proposed to be acquired and redeveloped in accordance with clause (1) of the second sentence of subsection (c) of this section, a redevelopment plan approved by the govern-ing body of the locality.

"'(c) "Urban renewal project" or "project" may include undertakings and activities of a local public agency in an urban renewal area for the elimination and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof, in accordance with such urban renewal plan. For the purposes of this subsection, "slum clearance and redevelopment" may include (1) acquisition of (i) a slum area or a deteriorated or de-teriorating area, or (ii) land which is pre-dominantly open and which because of obsolete platting, diversity of ownership, de-terioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community, or (iii) open land necessary for sound community growth which is to be developed for predominantly residential uses: Provided, That the requirement in paragraph (a) of this section that the area be a slum area or a blighted, detcriorated, or deteriorating area shall not be applicable in the case of an open land project: And provided further, That financial assistance shall not be extended under this title for any project involving slum clearance and redevelopment of an area which is not clearly predominantly residential in character unless such area is to be redeveloped for predominantly residential uses, except that, where such an area which is not predominantly residential in character contains a substantial number of slum, blighted, deteriorated, or deteriorating dwellings or other living accommodations, the elimination of which would tend to promote the public health, safety and welfare in the locality involved and such area is not appropriate for redevelopment for predominantly residential uses, the Administrator may extend financial assistance for such a project, but the aggregate of the capital grants made pursuant to this title with respect to such projects shall not exceed 10 percentum of the total amount of capital grants authorized by this title; (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the area the urban renewal objectives of this title in accordance with the urban renewal plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the urban renewal plan. For the purposes of this subsection, "rehabilitation" or "conservation" may include the restoration and renewal of a blighted, deteriorated, or deteriorating area (1) carrying out plans for a program of voluntary repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan; (2) acquisition of real property and demolition or removal buildings and improvements thereon where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities; (3) installation, construction, or reconstruction, of such improvements as are described in clause (3) of the preceding sentence; and (4) the disposition of any property acquired in such urban renewal area (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the urban renewal plan.

"'For the purposes of this title, the term "project" shall not include the construction or improvement of any building, and the term "redevelopment" and derivatives thereof shall mean development as well as redevelopment. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section

110 (d) hereof.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or (in the case of cash grants or donations of land or other real property) any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land or other real property (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project) in the urban renewal area, and demolition, removal, or other work or improvements in the urban renewal area, at the cost thereof, of the types described in clause (2) and clause (3) of either the second or third sentence of section 110 (c); and (3) the provision, at their cost, of public buildings or other public facilities (other than publicly owned housing, public facilities financed by special assessments against land in the project area, and revenue producing public utilities the capital cost of which is wholly financed with local bonds or obligations payable solely out revenues derived from service charges) which are necessary for carrying out in the area the urban renewal objectives of this title in accordance with the urban renewal plan: Provided, That in any case where, in the determination of the Administrator, any park, playground, public building, or other public facility is of direct benefit both to the urban renewal area and to other areas, and the approximate degree of the benefit to such other areas is estimated by the Administrator at 20 per centum or more of the total benefits, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for the project, there shall be included only such portion of the cost of such facility as the Administrator estimates to be proportionate to the approximate degree of the benefit of such facility to the urban renewal area: And provided further, That for the purpose of computing the amount of local grants-inaid under this section 110 (d), the estimated cost (as determined by the Administrator) of parks, playgrounds, public buildings, or other public facilities may be deemed to be the actual cost thereof if (i) the construc-tion or provision thereof is not completed at the time of final disposition of land in the project to be acquired and disposed of under the urban renewal plan, and (ii) the Administrator has received assurances satisfactory to him that such park, playground, public building, or other public facility will be constructed or completed when needed and within a time prescribed by him. With respect to any demolition or removal work, improvement or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, the por-tion of the cost thereof defrayed or estimated by the Administrator to be defrayed with such subsidy or grant shall not be eligible for inclusion as a local grant-in-aid.
"'(e) "Gross project cost" shall com-

prise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

'(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land or other property sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land

or other property leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land or other property retained by it for use in accordance with the urban renewal

'(g) "Going Federal rate" means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract for loan or advance is approved by the Administrator, which applicable rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or super-

seded by such later contract.

"'(h) "Local public agency" means any
State, county, municipality, or other governmental entity or public body, or two or more such entities or bodies, authorized to undertake the project for which assistance is sought, "State" includes the several States, is sought, "State" includes the several states, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

"'(i) "Land" means any real property, including improved or unimproved land,

structures, improvements, easements, corporeal hereditaments, estates, and other rights in land, legal or equitable.
"'(j) "Administrator" means the Housing

and Home Finance Administrator.'

"SEC. 312. Notwithstanding the amend-ments of this title to title I of the Housing Act of 1949, as amended, the Administrator, with respect to any project covered by any Federal aid contract executed, or prior approval granted, by him under said title I before the effective date of this Act, upon request of the local public agency, shall continue to extend financial assistance for the completion of such project in accordance with the provisions of said title I in force immediately prior to the effective date of this

Act.
"SEC. 313. The provisos with respect to the appropriation for capital grants for slum clearance and urban redevelopment contained in title I of the First Independent Offices Appropriation Act, 1954 (Public Law 176, Eighty-third Congress) and in title I of the Independent Offices Appropriation Act, 1955 (Public Law 428, Eighty-third Congress) are

hereby repealed.

"SEC. 314. The Housing and Home Finance Administrator is authorized to make grants, subject to such terms and conditions as he shall prescribe, to public bodies, including cities and other political subdivisions, to as-sist them in developing, testing, and reporting methods and techniques, and carrying out demonstrations and other activities for the prevention and the elimination of slums and urban blight. No such grant shall exceed two-thirds of the cost, as determined or estimated by said Administrator, of such activities or undertakings. In administering this section, said Administrator shall give preference to those undertakings which in his judgment can reasonably be expected to (1)

contribute most significantly to the improvement of methods and techniques for the elimination and prevention of slums and blight, and (2) best serve to guide renewal programs in other communities. Said Administrator may make advance or progress payments on account of any grant contracted be made pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended. The aggregate amount of grants made under this section shall not exceed \$5,000,000 and shall be payable from the capital grant funds provided under and authorized by section 103 (b) of the Housing Act of 1949, as amended.

'SEC. 315. Section 19 of the District of Columbia Redevelopment Act of 1945, as amended, is hereby amended by striking '\$2,000' in subsection (a) and subsection (b) and inserting in each instance '\$2,500 unless insured as provided in title I of the National Housing Act, as amended.'

"SEC. 316. Section 20 of the District of Co-

lumbia Redevelopment Act of 1945, as amended, is hereby amended—

"(1) by striking '1949' wherever it appears in said section and inserting '1949, as amended': Provided, That 'this clause shall not limit or restrict any authority under said section 20; and

"(2) by adding the following new subsections at the end of said section:

"'(i) In addition to its authority under any other provision of this Act, the Agency is hereby authorized to plan and undertake urban renewal projects (as such projects are defined in title I of the Housing Act of 1949, as amended), and in connection therewith the Agency, the District Commissioners, the National Capital Planning Commission, and the other appropriate agencies operating within the District of Columbia shall have all of the rights and powers which they have with respect to a project or projects financed in accordance with the preceding subsec-tions of this section: *Provided*, That for the purpose of this subsection the word "redevelopment" wherever found in this Act (except in section 3 (n)) shall mean "urban renewal", and the references in section 6 to the acquisition, disposition, or assembly of real property for a project shall mean the undertaking of an urban renewal project.

"'(j) The District Commissioners are hereby authorized to prepare a workable program as prescribed by section 101 (c) of the Housing Act of 1949, as amended, and are also authorized to request the necessary funds for the preparation of said workable The Commissioners may request program. the participation of the Agency in the preparation of said workable program and may include in their annual estimates of appropriations such funds as may be required by the Commissioners or the Agency, or both, for this purpose. The District Commissioners are hereby authorized, with or without reimbursement, to cooperate with the Agency in carrying out urban renewal projects and to utilize for that purpose the facilities and personnel of the District of Columbia under agreement with the Agency.

"TITLE IV-LOW-RENT PUBLIC HOUSING

"SEC. 401. The United States Housing Act of 1937, as amended, is hereby amended—
"(1) by adding at the end of section 10 the

following new subsection:

"'(i) Notwithstanding the provisions of any other law, the Public Housing Administration may, with respect to low-rent housing projects initiated after March 1, 1949, enter into new contracts, agreements, or other arrangements during the fiscal year 1955 for loans and annual contributions pursuant to the United States Housing Act of 1937, as amended, with respect to not exceeding thirty-five thousand additional units: Provided. That no such new contract, agreement, or other arrangement shall be made except with respect to low-rent housing projects to be undertaken in a community in

which there is being carried out a slum clearance and urban redevelopment project, or a slum clearance and urban renewal projassisted under title I of the Housing Act of 1949, as amended, and the local governing body of the community undertaking such slum clearance and urban redevelopment project, or slum clearance and urban renewal project, certifies that such low-rent housing project is necessary to assist in meeting the relocation requirements of section 105 (c) of title I of the Housing Act of as amended: And provided further, That the total number of dwelling units in low-rent housing projects covered by such new contracts, agreements, or other arrangements shall not exceed the total number of such dwelling units which the Administrator determines to be needed for the relocation of families to be displaced as a result of Federal, State, or local governmental action in such community.';

"(2) by striking from subsection 10 (g) the words following the colon up to and in-cluding the words 'such families' and inserting the following: "First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance, redevelopment or urban renewal project, or through action of a public body or court, either through the enforcement of housing standards or through the demolition, closing, or improvement of dwelling units, or which were so displaced within three years prior to making application to such public housing agency for admission to any lowrent housing: Provided, That as among such projects or actions the public housing agency may from time to time extend a prior pref-erence or preferences: And provided further, That, as among families within any such preference group';

"(3) by striking the words 'or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project' in clause (ii) of subsection 15 (8) (b) and inserting the following: 'or was to be displaced by any low-rent housing project or by any public slum-clearance, redevelopment or urban renewal project, or through action of a public body or court, either through the enforcement of housing standards or through the demolition, closing, or improvement of a dwelling unit or

units'; and

"(4) by striking the words 'not later than five years after March 1, 1949' in subsection 15 (8) (b) and inserting 'not later than March 1, 1959'.

"SEC. 402. Subsection 10 (h) of said Act, as amended, is hereby amended to read as

follows:

"'(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract shall require the public housing agency to make payments in lieu of taxes equal to 10 per centum of the annual shelter rents charged in such project or such lesser amount as (i) is prescribed by State law, or (ii) is agreed to by the local governing body in its agreement for local cooperation with the public housing agency required under subsection 15 (7) (b) (i) of this Act, or (iii) is due to failure of a local public body or bodies other than the public housing agency to perform any obligation under such agreement: Provided, That, if at the time such agreement for local cooperation is entered into it appears that such 10 per centum payments in lieu of taxes will not result in a contribution to the project through tax ex-emption by the State, city, county, or other political subdivisions in which the project is situated of at least 20 per centum of the annual contributions to be paid by the Authority, the amounts of such payments in lieu of taxes shall be limited by the agreement to amounts, if any, which would not reduce the local contribution below such 20 per centum: Provided further, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, an amount equal to the greater of (i) the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project or (ii) 20 per centum of the annual contributions paid by the Authority (but not in excess of the taxes levied): And pro-vided further, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts in its annual reports. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1954 may be amended in accordance with the first sentence of this subsection.'

"Sec. 403. Section 10 of said Act, as amended, is hereby amended by adding the following new subsection:

'(j) Every contract made pursuant to this Act for annual contributions for any low-rent housing project for which no such contract has been entered into prior to the enactment of the Housing Act of 1954 shall provide that-

"'(1) after payment in full of all obligations of the public housing agency in connection with the project for which any annual contributions are pledged, and until the total amount of annual contributions paid by the Authority in respect to such project has been repaid pursuant to the provisions of this subsection, (a) all receipts in connection with the project in excess of expenditures necessary for management, operation, mainte-nance, or financing, and for reasonable reserves therefor, shall be paid annually to the Authority and to local public bodies which have contributed to the project in the form of tax exemption or otherwise, in propor-tion to the aggregate contribution which the Authority and such local public bodies have made to the project, and (b) no debt in respect to the project, except for necessary expenditures for the project, shall be incurred by the public housing agency;

"'(2) if, at any time, the project or any part thereof is sold, such sale shall be to the highest responsible bidder after advertising, or at fair market value, and the proceeds of such sale together with any reserves, after application to any outstanding debt of the public housing agency in respect to such project, shall be paid to the Authority and local public bodies as provided in clause 1 (a) of this subsection: Provided, That the amounts to be paid to the Authority and the local public bodies shall not exceed their respective total contribution to the project.'.

"Sec. 404. Paragraph (6) of section 16 of said Act, as amended, is hereby repealed.

"SEC. 405. Section 10 of the United States Housing Act of 1937, as amended, is hereby amended by adding the following subsection:

"'(k) All expenditures of appropriations for the payment of annual contributions

shall be subject to audit and final settlement by the Comptroller General of the United States under the provisions of the Budget and Accounting Act of 1921, as amended.

"SEC. 406. Section 10 of said Act, as amended, is hereby amended by adding the follow-

ing new subsection:
"'(1) In any community, where it has been determined by resolution or ordinance, or by referendum, that a project shall be liquidated by sale thereof to private ownership, such community may negotiate with the Federal Covernment with respect to the sale of the project, and the Authority shall agree that sale of the project may be made after public advertisement to the highest bidder upon (1) payment and retirement of all outstanding obligations (together with any interest payable thereon and any premiums pre-scribed for the redemption of any bonds, notes, or other obligations prior to maturity) in connection with the project, and (2) pay ment of any proceeds received from the sale of the project in excess of the amounts required to comply with the requirements of the preceding clause numbered (1) to the Authority and to local public bodies in proportion to the aggregate contribution which the Authority and such local public bodies have made to the project.'

"TITLE V-HOME LOAN BANK BOARD

"SEC. 501. The National Housing Act, as amended, is hereby amended—
"(1) by amending section 402 (c) (4) to

read as follows:

"'(4) To sue and be sued, complain and defend, in any court of competent jurisdiction in the United States or its Territories possessions or the Commonwealth of Puerto Rico, and may be served by serving a copy of process on any of its agents or any agent of the Home Loan Bank Board and mailing a copy of such process by registered mail to the Corporation at Washington, District of Columbia.';

"(2) by adding the following new subsection to section 405:

"'(c) No action against the Corporation to enforce a claim for payment of insurance upon an insured account of an insured institution in default shall be brought after the expiration of three years from the date of default unless, within such three-year period, the conservator, receiver, or other legal custodian of the insured institution shall have recognized such insured account as a valid claim against the insured institution and the claim for payment of insurance shall have been presented to the Corporation and its validity denied, in which event the action may be brought within two years from the date of such denial.'; and

"(3) by striking the first four sentences of section 407 and inserting the following: 'Any insured institution other than a Federal savings and loan association may terminate its status as an insured institution by written notice to the Corporation. Whenever in the opinion of the Home Loan Bank Board any insured institution has violated its duty as such or has continued unsafe or unsound practices in conducting the business of such institution, or has knowingly or negligently permitted any of its officers or agents to violate any provision of any law or regulation to which the insured institution is subject, said Board shall first give to the authority having supervision of institution, if any, a statement with respect to such practices or violations for the purpose of securing the correction thereof and shall give a copy thereof to the institution. In the case of an institution of a State where there is no supervisory authority the state-ment shall be sent directly to the institution. Unless such correction shall be made within one hundred and twenty days or such shorter period of time as the supervisory authority, if any, shall require, the Home Loan Bank Board, if it shall determine to proceed further, shall give to the institution not less than thirty days' written notice of intention to terminate the status of the institution as an insured institution, and shall fix a time and place for a hearing before the Home Loan Bank Board, a member thereof, or a person designated by the Board. The Home Loan Bank Board shall make written findings. Unless the institution shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured institution. If the Home Loan Bank Board shall find that any unsafe or unsound practice or violation specified in such notice has been established and has not been corrected within the time above prescribed in which to make such correction, the Home Loan Bank Board may issue its order terminating the insured status of the institution effective on a date subsequent to such finding and to the expiration of the time specified in such notice of intention. The hearing hereinabove provided for shall be held in accordance with the provisions of the Administrative Procedure Act and shall be subject to review as therein provided and the review by the court shall be upon the weight of the evidence. In the event of the termination of such status, insurance of its accounts to the extent that they were insured on the date of such notice by the institution to the Corporation or such order of termination, less any amounts thereafter withdrawn, repurchased, or redeemed which reduce the insured accounts of an insured member below the amount insured on the date of such notice or order, shall continue for a period of two years, but no investments or deposits made after the date of such notice or order of termination shall be insured. The Corporation shall have the right to examine such institution from time to time during the two-year period aforesaid. Such insured institution shall be obligated to pay. within thirty days after any such notice or order of termination, as a final insurance premium, a sum equivalent to twice the last annual insurance premium paid by it.'
"Sec. 502. The Federal Home Loan Bank

Act, as amended, is hereby amended by striking '\$20,000' in section 10 (b) (2) and inserting '\$35,000.'

"SEC. 503. The Home Owners' Loan Act of 1933, as amended, is hereby amended-

"(1) by striking '\$20,000' wherever it appears in the first paragraph of subsection (c) of section 5 and inserting '\$35,000';

"(2) by amending subsection (d) of section 5 to read as follows:

"'(d) (1) The Board shall have power to enforce this section and rules and regulations made hereunder. In the enforcement of any provision of this section or rules and regulations made hereunder, or any other law or regulation, and in the administration of conservatorships and receiverships as provided in subsection (d) (2) hereof, the Board is authorized to act in its own name and through its own attorneys. The Board shall have power to sue and be sued, complain and defend in any court of competent jurisdiction in the United States or its territories or possessions or the Commonwealth of Puerto Rico. It shall by formal resolution state any alleged violation of law or regulation and give written notice to the association concerned of the facts alleged to be such violation. except that the appointment of a Supervisory Representative in Charge, a conservator or a receiver shall be exclusively as provided in subsection (d) (2) hereof. Such association shall have thirty days within which to correct the alleged violation of law or regulation and to perform any legal duty. association concerned does not comply with the law or regulation within such period, then the Board shall give such association twenty days' written notice of the charges against it and of a time and place at which the Board will conduct a hearing as to such alleged violation of duty. Such hearing shall be in the Federal judicial district of the association unless it consents to another place and shall be conducted by a hearing examiner as is provided by the Administrative Procedure Act. The Board or any member thereof or its designated representative shall have power to administer oaths and affirmations and shall have power to issue subpenas and subpenas duces tecum, and shall issue such at the request of any interested party, and the Board or any interested party may apply to the United States district court of the district where such hearing is designated for the enforcement of such subpena or subpena duces tecum and such courts shall have power to order and require compliance therewith. A record shall be made of such hearing and any interested party shall be entitled to a copy of such record to be furnished by the Board at its reasonable cost. After such hearing and adjudication by the Board, appeals shall lie as is provided by the Administrative Procedure Act, and the review by the court shall be upon the weight of the evidence. Upon the giving of notice of alleged violation of law or regulation as herein provided, either the Board or the association affected may, within thirty days after the service of said notice. apply to the United States district court the district where the association is located for a declaratory judgment and an injunction or other relief with respect to such controversy, and said court shall have juris-diction to adjudicate the same as in other cases and to enforce its orders. The Board may apply to the United States district court of the district where the association affected has its home office for the enforcement of any order of the Board and such court shall have power to enforce any such order which has become final. The Board shall be subject to suit by any Federal savings and loan association with respect to any matter under this section or regulations made thereunder, or any other law or regulation, in the United States district court for the district where the home office of such association is located, and may be served by serving a copy of process on any of its agents and mailing a copy of such process by registered mail, to the Home Loan Bank Board, Washington. District of Columbia.

'(2) The grounds for the appointment of a conservator or receiver for a Federal savings and loan association shall be one or more of the following: (i) insolvency in that the assets of such association are less than its obligations to its creditors and others, including its members; (ii) violation of law or of a regulation; (iii) the concealment of its books, records, or assets or the refusal to submit its books, papers, records, or affairs for inspection to any examiner or lawful agent appointed by the Home Loan Bank Board; and (iv) unsafe or unsound opera-tion. The Board shall have exclusive jurisdiction to appoint a Supervisory Representative in Charge, conservator, or receiver. If, in the opinion of the Board, a ground for the appointment of a conservator or receiver as herein provided exists and the Board determines that an emergency exists requiring immediate action, the Board is authorized to appoint ex parte and without notice a Supervisory Representative in Charge to take charge of said association and its affairs who shall have and exercise all the powers herein provided for conservators and receivers. Unless sooner removed by the Board, such Su pervisory Representative in Charge shall hold office until a conservator or receiver, appointed by the Board after notice as herein provided, takes charge of the association and its affairs, or for six months, or until thirty days after the termination of the administrative hearing and final proceedings herein provided, or until sixty days after the final termination of any litigation affecting such temporary appointment, whichever is long-The Board shall have the power to ap point a conservator or receiver but no such

appointment of a conservator or receiver shall be made except pursuant to a formal resolution of the Board stating the grounds therefor and except notice thereof is given to said association stating the grounds therefor and until an opportunity for an administrative hearing thereon is afforded to said association. Such hearing shall be held in accordance with the provisions of the Administrative Procedure Act and shall be subject to review as therein provided and the review by the court shall be upon the weight of the evidence. A conservator shall have all the powers of the members, the directors, and officers of the Federal association and shall be authorized to operate it in its own name or conserve its assets in the manner and to the extent authorized by the Board. The Board shall appoint only the Federal Savings and Loan Insurance Corporation as receiver for any Federal savings and loan association, which shall have power as receiver to buy at its own sale subject to approval by the Board. With the consent of the association expressed by a resolution of the board of directors or of its members, the Board is authorized to appoint a conservator or receiver for a Federal association without notice and without hearing. The Board shall have power to make rules and regulations for the reorganization, merger, and liquidation of Federal associations and for such associations in conservatorship and receivership and for the conduct of conservatorships and receiverships. Whenever a Supervisory Representative in Charge, conservator, or receiver, appointed by the Board pursuant to the provisions of this section, demands possession of the property, business and assets of any association, the refusal of any officer, agent, employee, or director of such association to comply with the demand shall be punishable by a fine of not more than \$1,000 or by imprisonment for not more than one year or both by such fine and imprisonment.'; and

"(3) by striking out the second paragraph of subsection (c) of section 5 and inserting in lieu thereof the following new paragraph:

"'Without regard to any other provision of this subsection except the area requirement such associations are authorized to invest a sum not in excess of 15 per centum of the assets of such association in loans insured under title I of the National Housing Act, as amended, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, and in other loans for property alteration, repair, or improvement: Provided, That no such loan shall be made in excess of \$2,500.'

"TITLE VI-VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

"Declaration of policy

"SEC. 601. It is declared to be the policy of Congress-

"(a) to seek the constant improvement of the living conditions of all the people under a strong, free, competitive economy, and to take such action as will facilitate the operation of that economy to provide adequate housing for all the people and to meet the demands for new building;

"(b) to provide a means of financing housing within the framework of our private enterprise system and without vast expenditures of public moneys;

"(c) to encourage and facilitate the flow of funds for housing credit into remote areas and small communities, where such funds are not available in adequate supply; and

"(d) to assist in the development of a program consonant with sound underwriting principles, whereby private financing institutions engaged in mortgage lending can make a maximum contribution to the economic stability and growth of the Nation through extension of the market for insured or guaranteed mortgage loans.

"Definitions

"Sec. 602. As used in this title, the following terms shall have the meanings respectively ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Insured or guaranteed mortgage

"(a) 'Insured or guaranteed mortgage loan' means any loan made for the construction or purchase of a family dwelling or dwellings and which is (1) guaranteed or insured under the Servicemen's Readjustment Act of 1944, as amended, or (2) secured by a mortgage insured under the National Housing Act. as amended.

Housing Act, as amended.

"(b) 'Private financing institutions' means life-insurance companies, savings banks, commercial banks, savings and loan associations (including cooperative banks, homestead association, and building and loan associations), and mortrage companies.

sociations), and mortgage companies.

"(c) 'Administrator' means the Housing and Home Finance Administrator.

"(d) 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

"National Voluntary Mortgage Credit Extension Committee

"SEC. 603. There is hereby established a National Voluntary Mortgage Credit Extension Committee, hereinafter called the 'National Committee', which shall consist of the Housing and Home Finance Administrator, who shall act as Chairman of the National Committee, and fourteen other persons appointed by the Administrator as follows:

"(a) Two representatives of each type of

private financing institutions;

"(b) Two representatives of builders of residential properties; and

"(c) Two representatives of real estate

boards.

"The Administrator shall also request the Board of Governors of the Federal Reserve System to designate a representative of the Board to serve on the National Committee in an advisory capacity.

"The Administrator shall also request the Administrator of Veterans' Affairs to designate a representative to serve on the National Committee in an advisory capacity.

"The Administrator shall also request the Home Loan Bank Board to designate a representative of the Board to serve on the National Committee in an advisory capacity.

"In selecting and appointing the members of the National Committee, the Administrator shall have due regard to fair representation thereon for small, medium, and large private financing institutions and for different geographical areas. Members of the National Committee appointed by the Administrator shall serve on a voluntary basis.

"Regional subcommittees

"SEC. 604. (a) As soon as practicable, the National Committee shall divide the United States into regions conforming generally to the Federal Reserve districts. The Administrator, after consultation with the other members of the National Committee, shall, for each such region, designate five or more persons representing private financing institutions and builders of residential properties in such region to serve as a regional subcommittee of the National Committee for the purpose of assisting in placing with private financing institutions insured or guaranteed mortgage loans as hereinafter set forth. In designating the members of each such regional subcommittee, the Administrator shall have due regard to fair representation thereon for small, medium, and large financing institutions and builders of residential properties and for different geographical areas within such regions. Members of each regional subcommittee shall serve on a vol-

untary basis.

"(b) The Administrator is authorized and directed, upon the request of a regional sub-

committee, to provide such subcommittee with a suitable office and meeting place and to furnish to the subcommittee such staff assistance as may be reasonably necessary for the purpose of assisting it in the performance of the functions hereinafter set forth. In complying with these requirements, the Administrator may act through and may utilize the services of the several Federal homeloan banks.

"Function of National Committee and of regional subcommittees

"Sec. 605. It shall be the function of the National Committee and the regional sub-committees to facilitate the flow of funds for residential mortgage loans into areas or communities where there may be a shortage of local capital for, or inadequate facilities for access to, such loans, and to achieve the maximum utilization of the facilities of private financing institutions for this purpose by soliciting and obtaining the cooperation of all such private financing institutions in extending credit for insured or guaranteed mortgage loans wherever consistent with sound underwriting principles.

"SEC. 606. The National Committee shall study and review the demand and supply of funds for residential mortgage loans in all parts of the country, and shall receive re-ports from and correlate the activities of the regional subcommittees. It shall also periodically inform the Commissioner of the Federal Housing Administration and the Administrator of Veterans' Affairs concerning the results of the studies and of the progress of the National Committee and regional subcommittees in performing their function, and shall to the extent practicable maintain liaison with State and local Government housing officials in order that they may be fully apprized of the function and work of the National Committee and regional sub-The Administrator shall, not committees. later than April 1 in each year, make a full report of the operations of the National Committee and the regional subcommittees to the Congress.

"SEC. 607. (a) Each regional subcommittee shall study and review the demand and supply of funds for residential mortgage loans in its region, shall analyze cases of unsatisfied demand for mortgage credit, and shall report to the National Committee the results of its study and analysis. It shall also mainliaison with officers of the Federal Housing Administration and of the Veterans' Administration within its region in order that such officers may be fully apprized of the function and work of the National Committee and regional subcommittees. It shall request such officers to supply to the subcommittee information regarding cases of unsatisfied demand for mortgage credit for loans eligible for insurance under the National Housing Act, as amended, or for insurance or guaranty under the Service-men's Readjustment Act of 1944, as amended. Such officers are authorized to furnish such information to such subcommittee.

"(b) A regional subcommittee shall render assistance to any applicant for a loan, the proceeds of which are to be used for the construction or purchase of a family dwelling or dwellings, upon receipt of a certificate from such applicant, stating that—

"(1) application for such loan has been made to at least two private financing institutions, or in the alternative to such private financing institution or institutions as may be reasonably accessible to the applicant;

"(2) the applicant has been informed by the above-mentioned private financing institution or institutions that funds for mortgage credit on the loan are unavailable; and

"(3) the applicant is eligible for insurance or guaranty under the Servicemen's Readjustment Act of 1944, as amended, or consents that the mortgage to be issued as security for the loan be insured under the National Housing Act, as amended.

Upon receipt of such certification from an applicant the regional subcommittee shall circularize private financing institutions in the region or elsewhere and shall use its best efforts to enable the applicant to place the loan with a private financing institution. It shall render similar assistance to any applicant for a loan, the proceeds of which are to be used for the construction or pur-chase of a family dwelling or dwellings, upon receipt of information from the Veterans' Administration to the effect that the applicant has applied for a direct loan, if he is eligible for such a loan, and that he is eligible for insurance or guaranty, under the Servicemen's Readjustment Act of 1944, as amended. In order to encourage small or local private financing institutions to originate insured or guaranteed mortgage loans, it may also render similar assistance to private financing institutions in locating other private financing institutions willing to repurchase such mortgage loans on a mutually satisfactory basis.

"(c) In the performance of its responsibilities under subsection (b) of this section, a regional subcommittee may at its discretion (1) request the National Committee to obtain for it the aid of other regional subcommittees in seeking sources of mortgage credit, and (2) request and obtain voluntary assurances from any one or more private financing institutions that they will make funds available for insured or guaranteed mortgage loans in any specified area or areas within its region in which the subcommittee finds that there is a lack of adequate credit facilities for such loans.

"Regulations of Administrator

"Sec. 608. The Administrator, after congultation with the National Committee, shall have power to issue general rules and procedures for the effective implementation of this title and for the functioning of the regional subcommittees, pursuant to the provisions hereof and not in conflict herewith.

"General provisions

"Sec. 609. No act pursuant to the provisions of this title and which occurs while this title is in effect shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. Service as a member of the National Committee or of any re-gional subcommittee is not to be construed as holding any office or employment with the Government of the United States. The Administrator is authorized and directed, upon the request of the National Committee, to provide such Committee with a suitable office and meeting place and to furnish to the Committee such staff assistance as may be reasonably necessary for the purpose of assisting it in the performance of the functions of such Committee. Funds available to the Administrator for administrative expenses shall be available for all expenses necessary in carrying out the provisions of this title, including expenses of persons serving as members of any committee or subcommittee established pursuant to this title for communications, transportation, and not to exceed \$25 per diem in lieu of subsistence when away from their homes or regular places of business in connection with the business of

such committee or subcommittee.
"Sec. 610. (a) This title and all authority conferred hereunder shall terminate at the

close of June 30, 1957.

"(b) Notwithstanding subsection (a), Congress, by concurrent resolution, may terminate this title prior to the termination date hereinabove provided for.

"TITLE VII—URBAN PLANNING AND RESERVE OF PLANNED PUBLIC WORKS

"Urban planning

"SEC. 701. To facilitate urban planning for smaller communities lacking adequate plan-

ning resources, the Administrator is authorized to make planning grants to State planning agencies for the provision of planning assistance (including surveys, land use studies, urban renewal plans, technical services and other planning work, but excluding plans for specific public works) to cities and other municipalities having a population of less than 25,000 according to the latest decennial census. The Administrator is further authorized to make planning grants for similar planning work in metropolitan and regional areas to official State, metropolitan, or regional planning agencies empowered under State or local laws to perform such planning. Any grant made under this section shall not exceed 50 per centum of the estimated cost of the work for which the grant is made and shall be subject to terms and conditions prescribed by the Administrator to carry out this section. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any planning grant made under this section. There is hereby authorized to be appropriated not exceeding \$5,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.

"Reserve of planned public works

"SEC. 702. (a) In order (1) to encourage municipalities and other public agencies to maintain a continuing and adequate reserve of planned public works the construction of which can rapidly be commenced whenever the economic situation may make such action desirable, and (2) to attain maximum economy and efficiency in the planning and construction of local, State, and Federal public works, the Administrator is hereby authorized, during the period of three years commencing on July 1, 1954, to make advances to public agencies from funds available under this section (notwithstanding the provisions of section 3648 of the Revised Statutes, as amended) to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications, or other action preliminary to and in preparation for the construction of public works: Provided, That the making of advances hereunder shall not in any way commit the Congress to appropriate funds to assist in financing the construction of any public works so planned.

"(b) No advance shall be made hereunder with respect to any individual project unless it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and unless the public agency formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance when due. Subsequent to approval and prior to disbursement of any Federal funds for the purpose of advance planning, the applicant shall establish a separate planning account into which all Federal and applicant funds estimated to be required for plan preparation shall be

placed

"(c) Advances under this section to any public agency shall be repaid without interest by such agency when the construction of the public works is undertaken or started: Provided, That in the event repayment is not made promptly such unpaid sum shall bear interest at the rate of 4 per centum per annum from the date of the Government's demand for repayment to the date of payment thereof by the public date of payment thereof by the public agency. All sums so repaid shall be covered into the Treasury as miscellaneous receipts.

"(d) The Administrator is authorized to prescribe rules and regulations to carry out

the purposes of this section.

"(e) There is hereby authorized to be appropriated not exceeding \$10,000,000 to carry out the purposes of this section, and

any amounts so appropriated shall remain available until expended: Provided, That not to exceed 1 per centum of the funds appropriated under this section may be used for the purpose of surveying the status and current volume of advanced public works planning among the several States and their subdivisions, such surveys to be carried out by the Administrator in cooperation with the Council of Economic Advisers in the Executive Office of the President. Not more than 5 per centum of the funds so appropriated shall be expended in any one State.

"Definitions

"SEC. 703. As used in this title, (1) the term 'State' shall mean any State, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States; (2) the term 'Administrator' shall mean the Housing and Home Finance Administrator; (3) the term 'public works' shall include any public, works other than housing; and (4) the term 'public agency' or 'public agencies' shall mean any State, as herein defined, or any public agency or political subdivision therein.

"TITLE VIII-MISCELLANEOUS PROVISIONS

"SEC. 801. (a) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby authorized and directed to require that, in connection with any property upon which there is located a dwelling designed principally for not more than a four-family residence and which is approved for mortgage insurance or guaranty prior to the beginning of construction, the seller or builder, and such other person as may be required by the said Commissioner or Administrator to become warrantor, shall deliver to the purchaser or owner of such property a warranty that the dwelling is con-structed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein, which have been approved in writing by the Federal Housing Commissioner or the Administrator of Veterans' Affairs) on which the Federal Housing Commissioner or the Administrator of Veterans' Affairs based his valuation of the dwelling: Provided, That the Federal Housing Commissioner or the Administrator of Veterans' Affairs shall deliver to the builder, seller, or other war-rantor his written approval (which shall be conclusive evidence of such approval) of any amendment of, or change or variation in, such plans and specifications which the Commissioner or the Administrator deems to be a substantial amendment thereof, or change or variation therein, and shall file a copy of such written approval with such plans and specifications: Provided further, That such warranty shall apply only with respect to such instances of substantial nonconformity to such approved plans and specifications (including any amendments thereof, or changes or variations therein, which have been approved in writing, as provided herein, by the Federal Housing Commissioner or the Administrator of Veterans' Affairs) as which the purchaser or homeowner has given written notice to the warrantor within one year from the date of conveyance of title to. or initial occupancy of, the dwelling, whichever first occurs: Provided further, That such warranty shall be in addition to, and not in derogation of, all other rights and privileges which such purchaser or owner may have under any other law or instrument: And pro-vided further, That the provisions of this section shall apply to any such property covered by a mortgage insured or guaranteed the Federal Housing Commissioner or the Administrator of Veterans' Affairs on and after October 1, 1954, unless such mortgage is insured or guaranteed pursuant to a commitment therefor made prior to October 1.

"(b) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are further directed to permit

copies of the plans and specifications (including written approvals of any amendments thereof, or changes or variations therein, as provided herein) for dwellings in connection with which warranties are required by subsection (a) of this section to be made available in their appropriate local offices for inspection or for copying by any purchaser, homeowner, or warrantor during such hours or periods of time as the said Commissioner and Administrator may determine to be reasonable.

"Src. 802. (a) The Housing and Home Finance Administrator shall, as soon as practicable during each calendar year, make a report to the President for submission to the Congress on all operations under the jurisdiction of the Housing and Home Finance Agency during the previous cal-

endar year.

"(b) Section 311 of 'An Act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended; section 6 of 'An Act to provide for the advance planning of non-Federal public works', approved October 13, 1949, as amended; and sections 5 and 402 (f) of the National Housing Act, as amended, are hereby repealed.

"(c) The National Housing Act, as amend-

ed, is hereby amended—
"(1) by striking the heading 'ANNUAL REPORT' immediately after section 4 and insert-

"(2) by striking from subsection (e) of section 406 the word 'Congress' and inserting 'Housing and Home Finance Administrator.'

"(d) The first sentence of section 7 (b) of

the United States Housing Act of 1937, as amended, is hereby amended to read as fol-lows: "The annual report of the Housing and Home Finance Administrator to the President for submission to the Congress on the operations of the Housing and Home Finance Agency shall include a report on the operations and expenses of the Authority, including loans, contributions, and grants made or contracted for, low-rent housing and slum clearance projects undertaken, and the assets and liabilities of the Authority.'

(e) Section 106 (a) of the Housing Act of 1949, as amended, is hereby amended by striking '; and' at the end of paragraph (3) thereof, inserting a period in lieu thereof,

and striking paragraph (4).

"(f) The Federal Home Loan Bank Act, s amended, is hereby amended by striking

the second sentence of section 20.
"Sec. 803. Section 501 (b) of the Service-men's Readjustment Act of 1944, as amended, is hereby amended to read as follows:

"'(b) Any loan made to a veteran for the purposes specified in subsection (a) of this section 501 may, notwithstanding the pro-visions of subsection (a) of section 500 of this title relating to the percentage or aggregate amount of loan to be guaranteed, be guaranteed, if otherwise made pursuant to the provisions of this title, in an amount not exceeding 60 per centum of the loan: Provided, That the aggregate amount of any guaranties to a veteran under this title shall not exceed \$7,500, nor shall any gratuities payable under subsection (c) of section 500 of this title exceed the amount which is payable on loans guaranteed in accordance with the maxima provided for in subsection (a) of section 500 of this title: And provided further, That no such loan for the repair, alteration, or improvement of property shall be insured or guaranteed under this Act unless such repair, alteration, or improvement substantially protects or improves the basic livability or utility of the property involved.

"SEC. 804. Section 108 of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 230) is amended as follows:

"(1) Strike out from subsection (a) there of the words 'the President, through such officer or agency of the Government (other than the Reconstruction Finance Corporation) as he may designate, and insert in lieu thereof the words 'the Housing and Home Finance Administrator'.

"(2) Strike out all of subsection (b) and insert in lieu thereof the following:

"'(b) For the purposes of this section, notwithstanding any other provision of law, the Housing and Home Finance Administrator is authorized to obtain from a revolving fund to be established in the Treasury of the United States not to exceed a total of \$50,-000,000 outstanding at any one time. For this purpose there is hereby authorized to be appropriated to such revolving fund in the Treasury the amount of \$50,000,000. Advances from the revolving fund shall be made to the Housing and Home Finance Administrator upon his request, and such advances together with receipts under this section shall be available for all necessary expenses, including administrative expenses. under this section. The Housing and Home Finance Administrator shall pay into the Treasury as miscellaneous receipts, at the close of each fiscal year, interest on the amount of advances outstanding, at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities. As the Housing and Home Finance Administrator repays principal sums advanced from the revolving fund pursuant to this section, such repay ments shall be made to the revolving fund.'

'(3) Strike out from subsection (c) thereof the words 'officer or agency designated by the President' and insert in lieu thereof the words 'Housing and Home Finance Admin-

istrator'.

"(4) Strike out from subsection (d) thereof '1955' and insert in lieu thereof '1956'.

"Sec. 805. The Act entitled 'An Act to ex pedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended, is hereby amended—
"(1) by adding the following at the end

of section 605 (a):

"'In any city in which, on March 1, 1953, there were more than ten thousand temporary housing units held by the United States of America, or in any two contiguous cities in one of which there were on such date more than ten thousand temporary housing units so held, the Administrator may acquire, by purchase or condemnation, a fee simple title to any lands in which the Administrator holds a leasehold interest, or other interest less than a fee simple, acquired by the Federal Government for national defense or war housing or for veterans' housing where (1) the Administrator finds that the acquisition by him of a fee simple title in the land will expedite the disposal or removal of temporary housing under his jurisdiction by facilitating the availability of improved sites for privately owned housing needed to replace such temporary housing, (2) the city or a local public agency has, in accordance with authority under State law, entered into a firm agreement to purchase the land so acquired at a price determined by the Administrator to be fair, but in no event less than the estimated cost to the Federal Government of acquiring the fee simple title (including an estimated amount to cover legal and overhead expenses of such acquisition) as determined by the Administrator, (3) the city or local public agency has furnished evidence satis-factory to the Administrator that it has or will have funds available to make all agreedupon payments to the Federal Government and to protect the Federal Government against any loss resulting from the acquisi-tion of fee simple title, (4) the city or local public agency has furnished assurances satisfactory to the Administrator that the land will be made available to private enterprise for development, in accordance with local zoning and other laws, for predominantly

residential uses, and (5) the city or local public agency has furnished assurances sat-isfactory to the Administrator that no individual who is employed by, or is an offi-cial of, the government of the city in which the land is located, or any agency thereof, shall be permitted, directly or indirectly, to have any financial interest in the purchase or redevelopment of such land: Provided, That such acquisitions by the Administrator pursuant to this sentence shall be limited to not exceeding four hundred and twenty-five acres of land in the general area in which approximately one thousand five hundred units of temporary housing held by the United States of America were unoccupied on said date.';
"(2) by adding the following new sub-

section at the end of section 607:

"'(g) The Administrator may dispose of any permanent war housing without regard to the preferences in subsections (b) and (c) of this section when he determines that (1) such housing, because of design or lack of amenities, is unsuitable for family dwelling use, or (2) it is being used at the time of disposition for other than dwelling purposes, or (3) it was offered, with preferences substantially similar to those provided in the Housing Act of 1950 (64 Stat. 48), to veterans and occupants prior to enactment of said Act.'; and
"(3) by adding the following new section

at the end of title VI:

"'SEC. 613. Upon a certification by the Secretary of the Interior that any surplus housing, classified by the Administrator as demountable, in the area of San Diego, California, is needed to provide dwelling accommodations for members of a tribe of Indians in Riverside County or San Diego County, California, the Administrator is hereby authorized, not withstanding any other provision of law, to transfer and convey such housing without consideration to such tribe, the members thereof, or the Secretary of the Interior in trust therefor, as the Secretary may prescribe: Provided, That the term housing as used in this section shall not include land.'

"SEC. 806. Subsection 302 (b) of Public Law 139, 82d Congress, as amended, is hereby amended by striking the second sentence

thereof and adding the following:
"'Any temporary housing constructed or acquired under this title which the Administrator determines to be no longer needed for use under this title shall, unless transferred to the Department of Defense pursuant to section 306 hereof, or reported as excess to the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Services Act of 1949, as amended, be sold as soon as practicable to the highest responsible bidder after public advertising, except that if one or more of such bidders is a veteran purchasing a dwelling unit for his own occupancy the sale of such unit shall be made to the highest responsible bidder who is a veteran so purchasing: Provided, That the Housing and Home Finance Administrator may reject any bid for less than two-thirds of the appraised value as determined by him: Provided fur-ther, That the housing may be sold at fair value (as determined by the Housing and Home Finance Administrator) to a public body for public use: And provided further, That the housing structures shall be sold for removal from the site, except that they may be sold for use on the site if the governing body of the locality has adopted a resolution approving use of such structures on the

site.'
"SEC. 807. Section 601 of the Housing Act of 1949 is hereby amended to read as follows: "'SEC. 601. The Housing and Home Fi-nance Administrator and the head of each constituent agency of the Housing and Home Finance Agency is hereby authorized to establish such advisory committee or committees as each may deem necessary in carrying

out any of his functions, powers, and duties under this or any other Act or authorization. Service as a member of any such committee shall not constitute any form of service, employment, or action within the provisions of sections 281, 283, 284, or 1914 of title 18, United States Code, or within the provisions of section 190 of the Revised Statutes (5 U. S. C. 99). Persons serving without compensation as members of any such committee may be paid transportation expenses and not to exceed \$25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2).

"SEC. 808. (a) Section 202 of the Act entitled 'An Act relating to the construction of school facilities in areas affected by Federal activities, and for other purposes', approved September 23, 1950, as amended, is hereby amended by adding the following new sentence at the end thereof: In any case where such facilities are or have been damaged or destroyed by fire or other casualty after they have become eligible for such transfer but before such transfer has been completed, the head of the Federal department or agency may assign or pay to such local educational agency, solely for use in repairing or reconstructing such facilities, all or any part of any insurance receipts in connection with such casualty which are payable or have been paid in consideration of premiums which such local educational agency has advanced for the benefit of the United States.'

"(b) The third sentence of section 401 (a) of title IV of the Housing Act of 1950, as amended, is hereby amended by striking out the word 'made' and inserting the words 'is

approved by the Administrator'.

"Sec. 809. Notwithstanding the provisions of any other law, (1) the Housing and Home Finance Administrator is authorized and directed to sell to the University of California, at fair market value as determined by him, all of the properties, including land, comprising war housing projects CAL-4041 and 4042 known as Canvon Crest Homes located in Riverside County, California; (2) the Public Housing Commissioner is authorized to permit the Housing Authority of the city of Columbia, South Carolina, to sell to the University of South Carolina, at fair market value as determined by him, all of the property, including land, comprising the seventyfour-unit housing project Numbered SC-2-5 known as University Terrace, located in Columbia, South Carolina, and to use, with the approval of the said Commissioner, the proceeds of such sale as a loan for the development of other low-rent housing in the city of Columbia, South Carolina, in replacement of said project Numbered SC-2-5. under terms and conditions which will be satisfactory to the Public Housing Commissioner and which will, in his opinion, protect the interest of the United States. and the annual contributions now contracted for in respect to project Numbered SC-2-5 shall continue to be available and may be contracted for in respect to such other low-rent housing; and (3) the Housing and Home Finance Administrator is authorized and directed to convey, without monetary con-sideration, to the Housing Authority of Saint Louis County, Missouri, all of the right, title, and interest of the United States in and to the one hundred and fifty-six housing units in public housing project Numbered MO-V-23153.

"SEC. 810. Notwithstanding the provisions of any other law, the Housing and Home Finance Administrator is authorized to sell and convey all right, title and interest of the United States (including any off-site easements) at fair market value as determined by him, in and to war housing project CONN-6029, known as Westfield Heights, containing one hundred and thirty dwelling units on approximately twenty-three and nineteen one-hundredths acres of land in Wethersfield, Connecticut, and CONN-6125, known as Drum Hill Park, containing one

hundred and twenty-five dwelling units on approximately fifty-two and thirty-three one-hundredths acres of land in Rocky Hill, Connecticut, to the housing authority of the town of Wethersfield, Connecticut, for use in providing moderate rental housing. Any sale pursuant to this section shall be on such terms and conditions as the Administrator shall determine: Provided, That full payment to the United States shall be required within a period of not to exceed thirty years with interest on unpaid balance at not to exceed 5 per centum per annum.

"SEC. 811. The Housing and Home Finance Agency, including its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing under this or any other law shall exercise such powers, functions, or duties in such manner as, consistent with the requirements thereof, will facilitate progress in the reduction of the vulnerability of congested urban areas to enemy attack.

"Sec. 812. Title V of the Housing Act of 1949, as amended, is hereby amended as follows:

"(a) At the end of the first sentence of section 511 strike '\$8,500,000' and insert '\$100,000,000'.

"(b) In section 512, strike '\$170,000' and insert '\$2,000,000'.

"(c) In section 513, strike '\$850,000' and insert '\$10,000,000'.

"SEC. 813. Section 504 of the Housing Act of 1950, as amended, is hereby repealed.

"Records

"SEC. 814. Every contract between the Housing and Home Finance Agency (or any official or constituent thereof) and any person or local body (including any corporation or public or private agency or body) for a loan, advance, grant, or contribution under the United States Housing Act of 1937, as amended, or the Housing Act of 1949, as amended, shall provide that such person or local body shall keep such records as the Housing and Home Finance Agency (or such official or constituent thereof) shall from time to time prescribe, including records which permit a speedy and effective audit and will fully disclose the amount and the disposition by such person or local body of proceeds of the loan, advance, grant, contribution, or any supplement thereto, the capital cost of any construction project for which any such loan, advance, grant, or contribution is made, and the amount of any private or other non-Federal funds used or grants-in-aid made for or in connection with any such project. No mortgage covering new or rehabilitated multifamily housing (as defined in section 227 of the National Housing Act, as amended) shall be insured unless the mortgagor certifies that he will keep such records as are prescribed by the Federal Housing Commissioner at the time of the certification and that they will be kept in such form as to permit a speedy and effective audit. The Housing and Home Finance Agency or any official or constituent agency thereof shall have access to and the right to examine and audit such records. This section shall become effective on the first day after the first full calendar month following the date of approval of the Housing Act of 1954.

"Applicants for assistance required to submit specifications

"Sec. 815. Every contract for a loan, grant, or contribution under the United States Housing Act of 1937, as amended, or title I of the Housing Act of 1949, as amended, for the construction of a project shall require the submission of specifications with respect to such construction prior to the authorization for the award of the construction contract and the submission of data with respect to the acquisition of land prior to the authorization to acquire such land.

"Audits under Public Housing Act of 1937; Comptroller General

"SEC. 816. Every contract for loans or annual contributions under the United States Housing Act of 1937, as amended, shall provide that the Public Housing Commissioner and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency entering into such contract that are pertinent to its operations with respect to financial assistance under the United States Housing Act of 1937, as amended.

"Report to Congress of information on housing

"SEC. 817. The annual report made by the Housing and Home Finance Administrator to the President for submission to the Congress on all operations provided for by section 802 hereof shall contain pertinent information with respect to all projects for which any loan, contribution, or grant has been made by the Housing and Home Finance Agency, including the amount of loans, contributions and grants contracted for, and shall also contain pertinent information with respect to all builders' cost certifications required by section 227 of the National Housing Act, as amended, including information as to the amounts paid by mortgagors to mortgagees for application to the reduction of the principal obligations of the mortgages pursuant to that section.

"Act controlling

"Sec. 818. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

"Separability

"Sec. 819. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances."

And the Senate agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
CLARENCE E. KILBURN,
Managers on the Part of the House.
HOMER E. CAPEHART,
JOHN W. BRICKER,
WALLACE F. BENNETT,
BURNET R. MAYBANK,
A. WILLIS ROBERTSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment.

Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

GENERAL STATEMENT

Shortly after passage of the House bill, information became available with respect to alleged serious irregularities and abuses that have occurred under FHA programs, particularly the title I small property improvement insurance program and the financing of privately owned rental-housing projects insured under section 608 of the National Housing Act. As the Senate Banking and Currency Committee had not yet reported the proposed Housing Act of 1954 that committee took immediate cognizance of the allegations and made a preliminary investigation of these charges to ascertain what changes should be made in the Housing Act of 1954 to protect against the abuses which had been disclosed. Meanwhile the House Committee on Banking and Currency held a series of informal meetings with representatives of the Housing and Home Finance Agency, the FHA, and the Department of Justice to review the nature and extent of allegations made and to consider proposals made by the Agency to strengthen the National Housing Act to prevent reoccurrence of abuses. One of the purposes of these informal meetings was to acquaint the members of the House Banking and Currency Committee, who would be members of the committee of conference, with facts which had been developed and corrective proposals which were being made in order that the House conferees would be in a better position to evaluate the many corrective provisions which were added to the House bill by the Senate amendment. Some of these changes resulted from proposals made by the Senate Banking and Currency Committee in reporting the bill and others resulted from amendments made to the bill while it was under consideration by the Senate.

The committee of conference throughout its extensive deliberations has carefully weighed the changes proposed by the Senate amendment to the House passed bill. Throughout the conference there was complete agreement that while there was necessity for strengthening the housing laws to prevent the reoccurrence of past abuses, it was also imperative that the changes made not be of such a nature as to make our Federal housing laws unworkable or as seriously to impair the assistance which they should properly give to the encouragement and continuation of a high volume of housing production and housing improvements for our people.

FHA TITLE I INSURANCE OF HOME REPAIR AND IMPROVEMENT LOANS

The House bill provided that a home repair or improvement loan could be insured in an amount up to \$3,000 in place of the \$2,500 limitation in existing law, and provided for extension of maturity on such insured loans from the 3 years and 32 day limit of existing law to a maximum maturity of 5 years and 32 days. Under existing law FHA title I insurance may also be obtained on loans to finance the improvement or conversion of existing structures used or to be used as dwellings for two or more families. On such loans existing law limits the amount to \$10,000 and the maturity to 7 years and 32 days. The House bill provided that the amount of such a loan could be either \$10,000 or \$1,500 per family unit, whichever is greatand increased the permissible maturity to 10 years and 32 days. The Senate amendment struck out the provisions in the House bill extending the maturities and increasing the amounts of title I insured loans, thus in effect retaining the limitations of existing law. The conference substitute likewise leaves these provisions of existing law unchanged.

The Senate amendment contained a number of provisions, which were not contained in the House bill, with respect to FHA title I insurance of home repair and improvement loans which are designed to prevent abuses that have occurred in this program. One of these provisions would place the lender in a position of coinsuror through limiting title I insurance coverage to reimbursement of only 80 percent of the loss on any individual loan. The conference substitute retains the principle of this provision but increases the FHA insurance coverage to 90 percent of the loss on any individual loan. The committee of conference is of the opinion that limiting the coverage of losses to 80 percent on any individual loan might prove too restrictive particularly to small lenders. At the same time an insurance coverage limited to 90 percent would still retain a measure of self interest on the part of the lender in each loan in an amount sufficient to induce more careful lending operations.

Other provisions added by the Senate amendment would (1) limit the granting of FHA title I insurance to supervised lenders approved by FHA, or to such other lenders as (on the basis of their credit and their experience and facilities to make and service this type of loan) FHA approved; (2) restrict items eligible for FHA title I insurance to those which substantially protect or improve basic livability or utility of the property; (3) write into law restrictive features of present FHA title I regulations with respect to dealer approval, maintenance of dealer file, 6-day waiting period prior to disbursement, and requirements with respect to completion certificates; (4) prevent use of FHA title I loans on new homes until completed and occupied for 6 months, and (5) prevent multiple FHA title I loans on the same structure with the aggregate balance in excess of the maximum statutory dollar limitation. The conference substitute retains these pro-visions of the Senate amendment with the exception of the provision which would write into law restrictive features of present FHA title I regulations. The committee of conference was of the opinion that allowing such restrictive provisions to be covered by regulation rather than on a statutory basis was desirable from the standpoint of administration of the insurance program.

The conference substitute also allows reasonable time-the first day after the first full calendar month following the date of approval of the Housing Act of 1954—for the preparation, issuance, and printing of FHA rules, regulations, forms, and instructions and their distribution to lenders operating under the title I program throughout the country.

SALES HOUSING

FHA insurance of 1-to-4-family sales housing is authorized by section 203 of the National Housing Act. Both the House bill and the Senate amendment provided changes in existing law with respect to maximum ratios of loans to values and maximum mortgage amounts. The House bill provided for ratio of loan to value of 95 percent on the first \$10,000 plus 75 percent of the excess over \$8,000 (actually this \$8,000 figure should be \$10,000 but, through inadvertence, was not included in the amendment to these provisions adopted by the House). The Senate amendment provided for a ratio of loan to value of 95 percent of the first \$8,000 plus 75 percent of the balance in excess of \$8,000. Maximum mortgage amounts were also limited to \$20,000 in the case of a one- or two-family dwelling, \$27,500 in the case of a three-family dwelling and \$35,000 in the case of a four-family dwelling under the provisions of the House bill; the Senate placed these limitations amendment \$18,000, \$24,000 and \$30,000 respectively. The House bill made the new ratios of loans to values applicable to both new and existing dwellings. The Senate amendment limited

its loan to value ratio provision to only new construction and on existing construction retained the existing maximum mortgage ratio of 80 percent of value. The House bill provided a maximum maturity of 30 years on mortgages of 1-to-4-family homes and made such maturity applicable to both existing and new homes. The Senate amend-ment provided a maximum maturity on mortgages for new homes of 30 years, and required that on existing homes the mortgage maturity be reduced from 30 years by one year for each of the first 10 years of age, so that an existing dwelling which was built 10 or more years ago could not be mortgaged for a term exceeding 20 years.

With respect to new housing the conference substitute provides for a ratio of loan to value of 95 percent of the first \$9,000 of value and 75 percent of the excess over \$9,000, and authorizes the President to increase the \$9,000 amount up to not to exceed \$10,000 if, after taking into consideration the general effect of such higher dollar amounts upon conditions in the building industry and upon the national economy, he determines such action to be in the public inmortgage terest. The maximum dollar limitations are the same as those provided in the House bill.

With respect to existing housing the conference substitute provides for a loan value ratio of 90 percent of the first \$9,000 of value plus 75 percent of the balance in excess of \$9,000. It likewise provides for Presidential authority to increase the \$9,000 figure to \$10,000, and the dollar mortgage maxima are the same as those applicable

to new housing.
With respect to mortgage maturities the conference substitute provided a maximum maturity of 30 years or three-quarters of the FHA Commissioner's estimate of the remaining life of the building improvements, whichever is the lesser. The committee of conference has been informed that FHA presently requires that the mortgage maturity not exceed three-quarters of the remaining economic life of the house whether new or old. In writing this limitation into the statute the Committee of Conference desires to place this safeguard in the law to make it clear that houses, especially old houses, are not to be financed for a term which would increase the Government's risk as insurer of the mortgage.

Although in most cases "mortgaging-out" is not applicable to sales housing, it is a possibility under certain circumstances where the builder of sales housing might actually become the mortgagor of the property. This could happen only when the builder, having built the homes, was unable immediately to dispose of them and had to close out the mortgage in his own name, thus becoming the mortgagor. In order to provide an effective statutory safeguard in such cases the conference substitute contains a provision limiting the maximum loan to value ratio where the builder becomes the mortgagor to not to exceed 85 percent of the mortgage loan which an owner-occu-pant could obtain. It is the further understanding of the committee of conference that, in such cases where a builder is constructing FHA sales housing and becomes the mortgagor because of inability to sell his houses, the FHA limits such builder in further participation under its programs. The committee of conference desires that this procedure be continued not only to assure that sales housing is constructed for sales purposes, but also as an effective method to prevent misuse of the FHA insurance system.

FHA APPRAISALS OF LONG-TERM ECONOMIC VALUE

Historically, the fundamental soundness of the whole concept of the FHA home mortgage insurance system has rested on the integrity of its appraisal system as a measure-ment of the long-term economic value of a

given residential property to be underwritten with an insured mortgage loan. Basically, the FHA's appraisal system, as well as many of its other principal procedures (such as its property location standards, its minimum construction requirements, and its inspection system), are obviously essential to the proper underwriting of mortgage loan risks, and therefore operate primarily for the protection of the Government and its insurance funds. Nevertheless, the Congress has recognized-and intendedconsistently that, notwithstanding the fact that techni-cally there is no legal relationship between FHA and the individual mortgagor, these FHA procedures also operate for the benefit and protection of the individual home buyer. However, there has apparently been a strong tendency on the part of the FHA to view these procedures as operating exclusively for the protection of the Government and its insurance funds. The committee of conference does not believe such a view to be consistent with the intent of the Congress in respect of the basic legislation relating to the FHA in the past, and, as to the future, desire to make it abundantly clear that such is not the case.

In this connection, the committee of conference calls attention to two specific provisions included in the conference substitute which clearly indicate the intent of the Congress that the protections of the FHA system shall also inure to the benefit of the individual home buyers. One is the provision which requires that the builder or seller of a new home built with the assistance of an FHA-insured or VA-guaranteed mortgage must deliver to the purchaser a warranty that the home is constructed in substantial conformity with the plans and specifications (including any amendments thereof which have been approved in writing) on which the FHA or VA valuation of such home was based. The other is the provision which requires that, the seller or builder or such other person as may be designated by the FHA Commissioner shall agree to deliver, prior to the execution of a contract for the sale of the property, to the purchaser a written statement setting forth the amount of the FHA's appraised value of the property.

The committee of conference desires to point out the importance it attaches to the latter provision, especially at this particular time, in protecting the individual home buyers. Generally speaking, an appraisal of the long-term economic value of a particu-lar residential property represents the informed judgment of a professional technician as to the dollar amount which a wellinformed purchaser, acting without duress or compulsion, would be warranted in paying for such property for long-term use or investment. To a large extent, this is determined by the price at which other properties, which are comparable as to location, type of construction, size and other amenities, are being freely sold in the open market. But, irrespective of market price, the upper limit for such an appraisal would always be the estimated reproduction cost of the property. Thus, appraisal of the long-term economic value as the basis for insurance of home mortgage loans by the FHA can have two important effects in terms of consumer protection.

First, by providing the new and more liberal mortgage insurance terms contained in the conference substitute, the Congress is seeking to benefit the individual families seeking to buy homes. The committee of conference desires to assure that these terms would not have an inflationary effect upon the going market prices for homes which might be reflected in upward pressure on prices which, in turn, might be reflected in FHA valuations. An appraisal system, such as FHA's based on long-term economic value would preclude valuations in excess of carefully estimated replacement costs as an upper limit in respect to new homes, and in

excess of replacement cost, less deterioration, in respect to existing homes. Therefore, any temporary cost or price rise, attributable to the new and more liberal mortgage insurance provisions continued in the conference substitute or otherwise, should not be reflected in FHA valuations to the detriment of individual home buyers.

Second, in those cases where a reasonable and careful estimate of the costs required to reproduce a fully comparable residential property may, for one reason or another, be less than the current market price for such properties, the individual consumer would obtain the benefit thereof since the FHA's appraisal of the property at such lower figure would be available to him and the maximum approvable FHA loan would be based on the lower of the two figures.

LOW-COST SUBURBAN HOUSING

Under title I, section 8, of the National Housing Act, provision is made for FHA insurance of mortgages on low-cost housing located in suburban and outlying areas. The House bill contemplated the integration of this FHA insuring operation into the FHA section 203 program and the House report made clear that in integrating the programs, underwriting procedures should be adopted to continue FHA section 8 type of insurance. The Senate amendment provides statutory authority for continuance of the section 8 program through adding a new subsection (i) to section 203 of the National Housing Act. The Senate provision also provided for an increase in the maximum mortgage amount from the \$5,700 of existing law to \$6,650 for a owner-occupant mortgagor and from the \$5,100 of existing law to \$5,950 for a buildermortgagor. The new mortgage limits represent 95 percent and 85 percent, respectively, of a home costing \$7,000. The Senate amendment further provided that this section 8 type of insurance could be made available to an owner-occupant mortgagor regardless of his credit standing, provided a peror corporation with a credit standing satisfactory to the FHA guaranteed payment of the insured mortgage. In such cases, the guarantor might also loan the owner-occupant mortgagor part or all of the required down payment on a note maturing after the last maturity date of principal due on the insured mortgage. The Senate amendment also made this section 8 type of insurance available on a farm home on a plot of 5 or more acres adjacent to a public highway with maximum insurance authorization for such loans limited to \$100,000,000 outstanding at any one time. The conference substitute retains these provisions of the Senate amendment.

It is the intention of the committee of conference that this special mortgage insurance for new low-cost housing be made available in rural and small suburban or outlying communities where the suspension of the regular FHA property location requirements (as distinguished from minimum construction standards) is not likely to be detrimental to the long-term value of the housing or the general standards of the community. It is not intended that this special mortgage insurance be used to assist the financing of housing in areas which, with the proposed new construction, will constitute built-up urban communities. In such areas, the regular mortgage insurance under section 203 is available for low-cost housing meeting the usual FHA construction and location standards.

TERMS OF FHA INSURANCE FUND DEBENTURES

The House bill contained a provision which would amend section 204 (d) of the National Housing Act so as to fix the term of debentures to be issued under sections 203 and 213 of the act at 10 years. The Senate amendment contained a provision further amending section 204 of the act so that any debentures issued under the act (other than debentures issued under section 221 (g)

(3)) could be replaced under certain conditions with refunding debentures maturing within a further 10-year period, thus in effect permitting the FHA Commissioner to impose a 10-year extension on debenture maturities. The conference substitute places a straight 20-year maturity on all FHA debentures issued under the act other than debentures issued under section 221 (g) (3). However, the change in debenture term does not apply in any case where the mortgage involved was insured or the commitment for such insurance was issued prior to the effective date of the Housing Act of 1954.

The Senate amendment contained a provision which was not included in the House bill under which the interest rate on FHA debentures, relating to mortgages hereafter insured, would be set at the rate in effect at the time of insurance as established by the FHA Commissioner with the approval of the Secretary of the Treasury. Such rate could not exceed the rate determined by the Secretary of the Treasury by estimating average yield to maturity on comparable marketable obligations of the United States. The conference substitute contains this provision of the Senate amendment.

REHABILITATION AND NEIGHBORHOOD CONSERVA-TION HOUSING INSURANCE

Both the House bill and the Senate amendment provided for the addition of two new FHA insurance programs through the addition of new sections 220 and 221 to the National Housing Act. The new section 220 insuring authority would provide a mortgage insurance program to assist in the rehabilitation of existing dwellings and the construction of new dwellings in urban renewal areas. The new section 221 insuring authority would provide a mortgage insurance program to cover suitable housing for the relocation of people displaced as a result of Governmental action in a community which has a workable program for dealing effec-tively with slums and blight, including the prevention of the development and spread of slums and blight as well as the elimination thereof.

FHA section 220 insurance

With respect to the new section 220 insurance program the House bill provided that before it could become operative in a community the FHA Commissioner would have to determine that there exists a redevelopment or urban renewal plan applicable to the area in which the mortgaged property is to be located and he would have to determine that necessary legal and financial authority existed to carry out such plan. Senate amendment provided that the insuring provisions could become operative upon the Housing and Home Finance Administrator certifying to the FHA Commissioner that he had made the findings required under the slum clearance and urban renewal program. Under the slum clearance and urban renewal program the Housing and Home Finance Administrator is required to find (1) that the governing body of the locality has approved a redevelopment or renewal plan (2) that such plan conforms to the general plan for the development of the locality as a whole and (3) that necessary legal authority and financial capacity exists to carry out such plan. The Senate provision avoids unnecessary duplication of functions between the Housing and Home Finance Administrator and the Federal Housing Commissioner with reference to making FHA section 220 insurance available in the com-The conference substitute contains this provision of the Senate amendment.

In both the House bill and the Senate amendment the mortgage limitations with respect to insurance for other than large scale rental projects were consistent with the mortgage limitations which the House and Senate had imposed on insurance provided under the 1-to-4-family housing sales programs covered by section 203 of the act.

As will be noted under the previous discussion of the provisions of the conference substitute with respect to sales housing, the conference substitute represents a compromise between the provisions of the House bill and the Senate amendment and accordingly the mortgage limitations for section 220 insurance on other than large scale rental projects were modified by the committee of conference to make them consistent with the section previously agreed upon with respect to section 203 mortgage limitations.

With respect to large scale rental projects insured under section 220, the only difference (other than technical corrections) between the provisions of the House bill and the Senate amendment was that the Senate amendment added an escalator clause to the stated mortgage limitations so that the FHA Commissioner might by regulation increase the mortgage limitations by not to exceed \$1,000 per room in any geographical area where he finds that cost levels so require. The conference substitute retains this provision of the Senate amendment.

FHA section 221 insurance

With respect to the new FHA section 221 insurance program the differences between the House bill and the Senate amendment are summarized in the following paragraphs.

Under the House bill provision was made that the number of units covered by the new FHA section 221 insurance could not exceed the number which the FHA Commissioner determines to be needed in a particular community for the relocation of families being displaced by governmental action. Senate amendment provided that the Housing and Home Finance Administrator would determine the number of section 221 units needed and so certify to the FHA Commis-Since the Housing and Home Finance Administrator must determine relocation needs in connection with the slum clearance and urban renewal operation, the procedure provided by the Senate amendment would avoid duplication of the same work by the FHA Commissioner. The conference substitute contains this provision of

the Senate amendment.

The House bill provided that the new FHA section 221 insurance could be made available in a community presently undertaking a slum clearance and urban redevelopment project without the community having to meet the new workable program requirement. The Senate amendment with respect to this provision made it clear that the FHA section 221 insurance to be made available in communities which presently have slum clearance projects would only be available for families displaced during the period that the project was being carried out and thereafter the community would have to meet the workable program requirement in order to have additional section 221 units in the community. The Senate amendment also contained a provision to make clear that the Housing and Home Finance Administrator does not have to certify dwelling units for section 221 insurance during any period when the locality fails to carry out the workable program upon which it had agreed. The conference substitute retains both of these provisions of the Senate amendment.

With respect to sales housing under the new FHA section 221 insurance program, the House bill provided that the mortgage could amount to 100 percent of the appraised value of a new or existing home provided that the owner and occupant of the property at the time of insurance made at least a \$200 payment to cover settlement costs and miscellaneous charges. Under the Senate amendment mortgage limitations under the section 221 insurance program were set at not to exceed 95 percent of the appraised value on new homes and 90 percent on existing homes. The conference substitute retains these provisions of the Senate amendment with respect to mortgage limitations.

Under the provisions of the House bill a private nonprofit corporation providing rental accommodations for ten or more families eligible for occupancy could obtain FHA section 221 insurance for the rehabilitation of existing homes up to 100 percent of the Commissioner's estimate of the value of the property or project when repaired or rehabilitated. Under a provision of the Senate amendment a private nonprofit corporation providing rental accommodations for ten or more families could obtain only a 95 percent section 221 loan insurance coverage but the mortgage could cover the construction of new accommodations as well as cover the repair or rehabilitation of existing accommodations. The conference substitute retains these provisions of the Senate amendment.

Under the House bill, maximum maturities were set at 40 years for all section 221 mortgages. The Senate amendment prescribed 30 years for these maturities. The conference substitute prescribes 30 years or three-quarters of the Federal Housing Commissioner's estimate of the remaining economic life of the building improvements, whichever is the lesser.

MORTGAGE INSURANCE FOR SERVICEMEN

The conference substitute retains the new section 222 of the National Housing Act, which was added by the Senate amendment. The House bill contained no comparable provision. Section 222 of the National Housing Act would establish a new FHA mortgage insurance program for housing for servicemen in the Armed Forces of the United States and their families. This program would assist in the provision of housing for members of the active Military Establishment, who are usually not eligible for the home-loan benefits of the Servicemen's Readjustment Act of 1944 because they have not become veterans. The latter act deals, of course, with the readjustment of veterans to civilian life, and is not intended to asin providing housing for servicemen while they remain in service.

Before a serviceman would be entitled to the benefits of the new program, the Secretary of Defense (or his designee) would have to issue to him a certificate indicating that the serviceman requires housing, that he is serving on active duty in the Armed Forces of the United States, and that he has served on active duty for more than 2 years. The serviceman would be required either to occupy the property or to certify that his failure to do so is the result of his military assignment. A certificate would not be issued by the Secretary to any person ordered to active duty for training purposes only. The Secretary could issue a new certificate to a serviceman who has already had the benefits of mortgage insurance assistance under this section only if in his judgment the additional certificate is justified.

The Senate amendment provided that a serviceman who has had the benefits of mortgage insurance assistance under this section would not be eligible for home-loan benefits under the Servicemen's Readjustment Act of 1944, and that no person who has used his entitlement for home-loan benefits under that act would be eligible for the benefits of this section. The conference substitute removes these limitations, thereby permitting an individual to avail himself of both types of benefits if he is appropriately qualified.

The mortgages insured under the new section 222 would be subject to the same limits on amounts as mortgages insured under the regular section 203 sales housing program, with certain exceptions designed to provide more liberal treatment for servicemen. The Senate amendment provided that, in the discretion of the Federal Housing Commissioner, the maximum ratio of loan to value under section 222 could exceed the maximum prescribed in section 203, up to 95

percent of the appraised value of the property, and that the maximum dollar mortgage amount could be \$14,250 (that is, 95 percent of \$15,000). The conference substitute increases the maximum dollar mortgage amount to \$17,100 (that is 95 percent of \$18,000).

Premiums on the insurance would not be payable by the mortgagee while the serviceman owns the home, but would be paid yearly by the Secretary of Defense from appropriations for the pay and allowances of persons eligible for mortgage insurance under this section. The Secretary of Defense (or such person as may be designated by him) would certify to the Federal Housing Commissioner the termination of ownership of such home by a serviceman, and future premiums would be payable in the same manner as in the case of other mortgage insurance.

Payment of insurance to the mortgagee in event of default on these mortgages would be made in accordance with the same provisions as those which govern the payment of insurance on section 203 mortgages, except that such payments would be from a separate servicemen's mortgage insurance fund established for the purposes of section 222. The Senate amendment authorized an appropriation of \$1,000,000 for such fund; the conference substitute changes this provision so as to provide for the transfer of \$1,000,000 from the war housing insurance fund instead of a direct appropriation.

The benefits of this section would apply to servicemen in the United States Coast Guard and their families, except that the Secretary of the Treasury would perform the functions otherwise given to the Secretary of Defense.

SALE OF GOVERNMENT-OWNED HOUSING

Both the House bill and the Senate amendment contain provisions permitting 90 percent FHA insured mortgages to finance the sale of Government-owned housing. However, the Senate amendment contained a provision which would permit a 95 percent insured mortgage to finance the sale of such housing if the mortgagor was a veteran coperative. The conference substitute retains this provision of the Senate amendment.

It was called to the attention of the committee of conference that in some instances the FHA after acquiring a property through operation of its mortgage insuring programs, had resold the property and taken back a purchase money mortgage at a rate of interest under the rate that currently existed on insured mortgages covering similar property. While this practice undoubtedly permits the FHA to obtain a higher price for the property sold than would otherwise be the case thus limiting losses or even allowing it to move into a profit position on its liquidation operations, at the same time it leaves FHA with a long term mortgage which, if sold, could only be sold at a loss due to the unrealistic interest rate. The committee of conference is of the opinion that in any such transactions in the future, the FHA should not take back purchase money mortgages in connection with the sale of acquired properties unless the interest rate on such purchase money mortgages is comparable to the current interest rates on insured mortgages on properties of similar type. The committee of conference is further of the opinion that in cases where the Housing and Home Finance Administrator disposes of property under his control and accepts a purchase money mortgage as part of the payment such a mortgage should carry an interest rate not less than the current interest rate applicable to FHA insured mortgages on similar properties.

OPEN-END MORTGAGES

Both the House bill and the Senate amendment contained provisions permitting FHA insurance of advances pursuant to an "openend" provision in a FHA insured mortgage.

The Senate amendment, however, contained a provision which was not contained in the House bill which would limit such open-end advances to improvements and repairs which substantially protect or improve basic livability or utility of the property and to an amount which when added to the unpaid amount of the mortgage would not make the unpaid balance exceed the amount of the original mortgage. The conference substitute retains the Senate provisions with an amendment which would permit the amount of the advance when added to the unpaid amount of the mortgage to exceed the original principal obligation of the mortgage if the mortgagor certifies that the proceeds of the advance are to be used to finance the construction of additional rooms or other enclosed space as a part of the dwelling.

The Senate amendment contained a provision making the maximum veterans' home loan guaranty entitlement of \$7,500 appli-cable to loans for repairs, alterations, and improvements (if they would substantially protect or improve the basic livability or utility of the property involved) as well as to loans for the purchase and construction of residential property. Under existing law (the so-called "veterans' open-end mortgage" provision) a veteran who has used his guaranty entitlement in acquiring a home can have additional entitlement for repair loans only if he has used less than \$4,000 of his entitlement in acquiring the home. The House bill contained no corresponding provision, although in its original form it had included a similar provision which was eliminated when title II of the reported bill (relating primarily to mortgage interest rates and terms) was stricken out on the floor of the House. The conference substitute contains the provision added by the Senate amendment.

FHA APPRAISAL AVAILABLE TO HOME BUYERS

The Senate amendment contained a provision which was not included in the House bill which would direct the FHA Commissioner to require the seller or builder of a one-or-two family residence to make available to the purchaser of a new home, prior to sale, a written statement setting forth the amount of the appraised value of the property as determined by the FHA. The conference substitute retains this provision of the Senate amendment but broadens it to include existing housing as well as new homes and to include also one-and-two family sales housing under the new servicemen's insurance program (sec. 222 of the National Housing Act), one-and-two family sales housing under the cooperative housing section (213) of the National Housing Act, and individual sale type defense housing (sec. 903 of the National Housing Act). The provision is not applicable in cases where a mortgage was insured or a commitment for insurance was issued prior to the effective date of the Housing Act of 1954.

BUILDERS COST CERTIFICATION

As noted in the opening paragraphs of this Statement of Managers, shortly after passage of the House bill disclosures were made of widespread "mortgaging out" operations under the former FHA 608 rental housing insurance program. The term "mortgaging out" means that the mortgagor was able to obtain a mortgage in an amount sufficient to equal or exceed the actual cost of the project cluding a normal allowance for builders profit. The Congress had recognized the possibility of such an operation as the 608 program developed and in increasing the title VI authorization in Public Law 384. 80th Congress, 1st session, approved December 27, 1947, provided that "Title VI of the National Housing Act, as amended, be employed to assist in maintaining a high volume of new residential construction without supporting unnecessary or artificial costs. In estimating necessary current cost for the

purposes of said title, the FHA Commissioner shall therefore use every feasible means to assure that such estimates will approximate as closely as possible the actual cost of effibuilding operations." Subsequently, continued rumors of "mortgaging out" operations led the Congress to impose builders costs certification provisions in the military housing insurance program (sec. 803) and in the rental housing section of the Defense Housing program (sec. 908). Following the disclosures of widespread "mortgaging out" operations under section 608, the Senate amendment included a provision, which was not contained in the House bill, which would require a builders cost certification with respect to all FHA mortgage insurance for new or rehabilitated multifamily and rental hous-This provision would require the builder to certify that the approved percentage of the actual cost (i. e., 80 percent under section 207, 90 percent or 95 percent under section 213, 90 percent under section 220, etc.) equaled or exceeded the proceeds of the mortgage loan or the amount by which the proceeds exceeded such approved percentage and to apply the amount of such excess to the reduction of the mortgage loan. In the computation of actual cost, the land value considered may not exceed the Commissioner's estimate of the fair market value of the land in the project prior to the construction of the improvements. There would be excluded from the computation of actual costs amounts representing any kickbacks, rebates, or trade discounts received in connection with the construction of the improvements. The conference substitute while essentially retaining this provision of the Senate amendment, makes clear that a reasonable allowance for builders profit may be included as part of the "actual cost" of a project in the case where the builder is also the mortgagor and desires to leave his profit in the corporation as equity.

NEW PHA POSITIONS

The Senate amendment contained a provision, which was not included in the House bill, which would authorize the establishment in FHA of 18 positions at grade GS-16 without regard to the civil service laws, in lieu of positions previously allocated in FHA under section 505 of the Classification Act. The committee of conference was of the opinion that allocation of all these positions at grade GS-16 would unnecessarily disrupt FHA administrative organization. Accordingly the conference substitute authorizes the FHA to establish one position in Grade GS-18, four positions in grade GS-17, and eight positions in grade GS-16, which would be subject to the civil service laws. Thus the positions would not be taken completely out from under the provisions of the civil service laws but would follow normal statutory procedures which permit such positions to be classified as schedule "C." This is consistent with the practice being followed by the Congress in establishing new positions in other agencies at these grades.

ADDITIONAL FHA PROVISIONS

The House bill contained a provision terminating the yield insurance program under title VII of the National Housing Act. The Senate amendment contained no comparable provision. The conference substitute retains the FHA title VII program.

Under existing law authority of the FHA to insure mortgages in connection with the defense housing program under title IX would expire August 1, 1954, except as to commitments issued prior to such date on loans to refinance existing insured loans. Under the House bill this authority would not be continued but the authority to insure as to commitments issued prior thereto was continued.

The Senate amendment gave the President standby authority to use title IX FHA mortgage insurance authority and the pro-

visions of title III of the Defense Housing and Community Facilities and Services Act of 1951 for Federal aid in the provision of defense housing and community facilities and services in critical defense housing areas. The President under the Senate provision could designate periods after June 30, 1954, when either of these two programs could be used or he could designate a specific project or projects to be assisted by either of the two programs.

In addition the Housing and Home Finance Administrator would be authorized to enter into amendatory agreements after June 30, 1954, to provide additional Federal assistance with respect to defense community facilities undertaken on or before such date where he finds it necessary to do so to assure the completion of such facilities. Such amendatory agreements could not involve the expenditure of Federal funds in excess of those available on or before June 30, 1954.

The conference substitute conforms to the Senate amendment, but limits the President's standby authority to the period ending July 1, 1955.

The Senate amendment contained a provision requiring that each dwelling covered by a mortgage hereafter insured under section 903 of the National Housing Act be held for rental for at least 4 years. The House bill contained no comparable provision. The conference substitute conforms to the Senate amendment but reduces the period to three years.

The Senate amendment contained a provision making it a criminal offense to misuse "FHA" in advertising or firm or business names. The House bill contained no comparable provision. The conference substitute conforms to the Senate amendment on this point and also modifies section 709 of title 18 of the United States Code, which contains this provision, so as to prohibit similar misuse of the words "Housing and Home Finance Agency," "Federal Housing Administration," and "Federal National Mortgage Association."

Section 709 also prohibits the false advertisement or representation that any project, business, or product has been in any way endorsed, authorized, or approved by the agencies named above or the Government of the United States or any agency thereof. The conference agreement applies this prohibition to any false advertisement or representation that any housing unit, project, business, or product has been in any way endorsed, authorized, inspected, appraised, or approved, as above provided.

The Senate amendment added a new section to the National Housing Act to authorize the Federal Housing Commissioner to refuse the benefits (either directly or indirectly) of participation in FHA insurance programs to persons or firms who knowingly and willfully violate the National Housing Act or the loan guarantee title of the Servicemen's Readjustment Act of 1944 or the regulations promulgated under either of Such benefits could also be rethose acts. fused if the Commissioner determines that there has been a violation of Federal or State penal statutes in connection with programs under either of the two acts or that there has been material failure to carry out contractual obligations with respect to the completion of construction or repairs financed with assistance under either of the two acts. Persons or firms proposed to be denied such benefits would be afforded an opportunity for hearing and to be represented by counsel. These provisions would be applied not only to insured lenders and borrowers, but to builders, contractors, dealers, salesmen, or agents for a builder, contractor, or dealer. The House bill contains no comparable provision. The conference substitute retains the Senate provision with amendments making it clear that it applies to all the insurance titles of the act and with clarifying changes.

PROHIBITION AGAINST USE OF FHA-INSURED HOUSING FOR TRANSIENT OR HOTEL PUR-

House report accompanying House bill clearly expressed the intent of the House Banking and Currency Committee that FHA insured rental properties were never intended to be used to provide hotel accommodations and directed the FHA to take all appropriate action possible to prevent such use of FRA insured rental proj-The Senate amendment includes specific provisions relating to this problem. These provisions (1) declare that it has been the intention of Congress since enactment of the National Housing Act that housing covered by mortgage insurance is not to be used for hotel or transient purposes while insur-ance remains outstanding; (2) prohibit any new, existing, or rehabilitated multifamily housing from being rented for a period of less than 30 days, or operated in a manner as to offer hotel services, while such housing has mortgage insurance; (3) prohibit fu-ture mortgage insurance on multifamily housing unless mortgagor certifies under oath that as long as insurance is outstanding no part of the housing will be rented for a period of less than 30 days, and no hotel services will be offered; the FHA Commissioner to enforce restrictions on hotel use of such properties whether insurance was issued prior or after the enactment of the Housing Act of 1954 but provides that criminal penalties shall not be retroactive; and (5) require the FHA Commissioner to investigate in 15 days any written complaint that a building is being rented or operated in violation of any provision of the National Housing Act or regulation thereunder and, if a violation is found, to order it to cease. If the alleged violation did not cease, the FHA Commissioner would be required to refer the case to the Department of Justice in 15 days for criminal prosecution. Also, in that time, the Commissioner would be required to start injunction proceedings in Federal district court. If the FHA Commissioner did not start such action in that time, any individual could bring the action in the name of the United States. The district courts of the United States would be given jurisdic-

tion over such cases.

The conference substitute follows the Senate provisions, modified as follows:

1. Provides that multifamily housing shall not be used for transient or hotel purposes unless (a) by May 28, 1954, the FHA Commissioner had agreed in writing to rental of specified number of units for such purposes, or (b) the FHA Commissioner finds that the project is in a resort area and that prior to May 28, 1954, a specified number of the accommodations were used for transient or hotel purposes.

2. No multifamily mortgage to be insured by FHA hereafter, except under outstanding commitment, and no mortgage to be insured for an additional term, unless (a) mortgagor certifies under oath the property will not be used while insurance remains outstanding for transient or hotel purposes, and (b) the FHA Commissioner has contracted with or bought stock of mortgagor needed to enforce compliance while mortgage insurance

remains in effect.

3. (a) The FHA Commissioner must define "transient or hotel purposes," but rental for less than 30 days shall in any event con-

stitute rental for such purposes.
(b) "Multifamily housing" is defined to include property held by a mortgagor on which 5 or more single-family dwellings are dwelling is located, or rental-type housing is insured under sections 207, 213, 220, 221, 608, title VII, 803, and 908.

4. On written complaint, the FHA Commissioner must investigate and order viola-tion, if found to exist, to cease. If such vio-lation does not cease, the FHA Commissioner must send complaint to Attorney General for appropriate civil or criminal action.

5. A hotel owner, or operator, or association, within 50 miles radius of place of violation, at their own expense may apply for injunctive relief against violations upon showing cause for the issuance of such infunction.

SLUM CLEARANCE AND URBAN RENEWAL

The Senate amendment added to the House bill a provision prohibiting the delegation or transfer, to any official except a person serving as Acting Administrator, of certain final authorities vested in the Housing Administrator in connection with the slum clearance and urban renewal program. Under this provision, the Administrator could not delegate or transfer his authority (1) to deter-mine whether the workable program provided for under section 101 (c) of the Housing Act of 1949 (compliance with which is a condition precedent to slum clearance and urban renewal assistance and to FHA assistance under section 220 or section 221 of the National Housing Act) meets the requirements of such section; (2) to make the certification that Federal assistance of the types enumerated in such section 101 (c) may be made available in a community; (3) to make the certifications with respect to the maximum number of dwelling units needed for the relocation of families who are to be displaced as a result of governmental action in a community and who would be eligible to rent or purchase dwelling accommodations in properties covered by mortgage insurance under the section 221 program; or (4) to determine whether the relocation program (which by law must be submitted to the local public agency) for the rehousing of families to be displaced by a slum clearance and urban renewal project meets the requirements of section 105 (c) of the Housing Act of 1949. The conference substitute includes the provision added by the Senate amendment.

The Senate amendment added to the House bill a provision that no contract may be made for advances of funds to local public agencies for surveys and plans for urban renewal projects unless the governing body of the locality involved has approved (by resolution or ordinance) the undertaking of the surveys and plans and the submission by the local public agency of an application for the advance of funds, thus assuring that the approval of the local governing body of the locality concerned will be obtained before any financial assistance contracts are executed. A related provision in the House bill required the governing body of the locality concerned to make the determination that an urban renewal area is blighted or deteriorated, and to designate such area as appropriate for an urban renewal project, before any contract could be made for advances of funds to the local public agency for surveys and plans in preparation of the The Senate amendment deleted this provision in the House bill (and substituted the provision described above) on the ground that, as a practical matter, the governing body of the locality would not have the necessary data to support such a determination until after the survey and planning stage, and on the further ground that any redevelopment plan in connection with a project must be approved by the governing body of the locality before any monies could be disbursed under a loan and grant contract. The conference substitute follows the Senate provision.

The House bill contained a provision which would have had the effect of permitting grants for urban renewal projects to be paid in connection with projects consisting open land which is arresting the sound growth of a community, even though the land is not being redeveloped for predominantly residential purposes. The Senate amendment deleted this provision of the House bill, thereby in effect continuing the requirements of existing law. (Under existing law, capital grants may not be paid in connection with any open land project, and an open land project is not eligible even for loan assistance unless it is to be developed for predominantly residential use and necessary to the effective carrying out of a local slum-clearance program already unconference substitute retains the Senate provision.

The House bill provided that mortgages and others who acquire property in an urban renewal area as a result of foreclosure need not comply with the obligation imposed upon other purchasers (1) to begin construction of improvements within a specified time, and (2) to comply with such other conditions as the Housing Administrator finds (prior to the execution of the contract for loan or capital grant) are necessary to carry out the purposes of the urban renewal project. The Senate amendment eliminated the exemption granted by the House bill from the second of these two obligations, thus permitting the Administrator to make appropriate conditions applicable to those who acquire property as a result of foreclosure as well as to other purchasers. The conference substitute retains the Senate provision.

The House bill changed the requirements established for a project in existing law and substituted provisions establishing as the general criteria of eligibility for an urban renewal project the achievement of "sound community objectives for the establishment and preservation of well-planned residential neighborhoods." Under existing law loans and capital grants may be made available for clearing a slum or blighted residential area, whether it is to be redeveloped for residential use or for commercial or in-dustrial use or for a combination of such uses; but if the area is not already pre-dominantly residential in character, such financial assistance may be made available only if it is to be redeveloped for predominantly residential uses. The Senate amendment deleted the House provisions and reinstated existing law by prohibiting loans and capital grants for projects involving slum clearance and redevelopment of areas not clearly predominantly residential in character unless such redevelopment is for predominantly residential uses; except that if an area contains a substantial number of slums, or blighted, deteriorated, or deteriorating dwelling, or other living accommodations, the elimination of which would tend to promote the public health, safety, and welfare in the locality, and such area is not appropriate for redevelopment for predominantly residential uses, the Administrator may extend financial assistance for such a project in that area, but the aggregate of the capital grants made with respect to such projects cannot exceed 10 percent of the total amount of capital grants authorized by title I of the Housing Act of 1949. The conference substitute follows the Senate amendment.

The House bill contained a provision which would exclude from local grants-in-aid for an urban renewal project any revenue-producing public facilities the capital cost of which is financed by service charges or special assessments. The Senate amendment did not include that provision. The conference report includes a provision which would exclude from such local grants-in-aid only those revenue-producing public utilities where the capital cost is wholly financed with local bonds and obligations payable solely out of revenues derived from service charges. The provision would not apply to utilities where the capital cost is partly financed from tax revenues or from any source other than revenue bonds. However, the provision would be broadened to cover public facilities financed by special assess-ments against land in the project area.

The House bill contained a provision increasing from \$2,000 to \$3,000 the maximum amount of any unsecured home repair and modernization loan, not insured under the FHA title I program, made by a savings and loan association in the District of Columbia. The Senate amendment provided for a lesser increase, from \$2,000 to \$2,500. The conference substitute follows the Senate amendment.

The House bill provided that the District Commissioners and "the other appropriate agencies operating within the District of Columbia" shall have the same rights and powers with respect to the new type "urban renewal" projects as they now have with respect to redevelopment projects. The Senate amendment adds a provision specifically designating the National Capital Planning Commission as one of the "appropriate agencies operating within the District of Columbia" for this purpose. The conference substitute contains the new language added by the Senate amendment.

The House bill provided that the "workable program" for urban renewal in the District of Columbia shall be prepared by the District of Columbia Redevelopment Land Agency with the approval of the District Commissioners. The Senate amendment provided that such workable program should be prepared by the District Commissioners, with the participation of the Redevelopment Land Agency and other agencies of the District, if requested by the Commissioners. The Senate amendment also contained a provision making it clear that any appropriations required for the preparation of the workable program for the District of Columbia shall be requested by the District Commissioners rather than by the Redevelopment Land Agency. The conference substitute retains the provisions of the Senate amendment.

The committee of conference has noted the statement of the Senate Committee on Banking and Currency, in its report accompanying the bill (Report No. 1472, at pp. 40 and 41) with respect to the coordinated administration of the undertakings authorized by the bill to enable cities to attack effectively the entire problem of urban slums and blight. The committee of conference is fully in accord with that statement and expects the Housing and Home Finance Administrator to apply firmly the unified direction to such undertakings as instructed by the Senate committee.

SECONDARY MORTGAGE MARKET

The House bill contained provisions providing for the rechartering of the Federal National Mortgage Association. The re-chartered FNMA would have three principal functions, namely, (1) to provide assistance to the secondary market for FHA-insured and VA-guaranteed home mortgages in order to furnish additional liquidity for mortgage investments and thereby improve the distribution of mortgage investment funds; (2) to provide Government assistance for certain types of these mortgages, or for mortgages generally if necessary to retard or stop a decline in home building activities which threatens the stability of a high level national economy; and (3) to manage and liquidate in an orderly manner the mortgages held in the portfolio of the present FNMA. Provision was made so that the Government investment in FNMA would grad-ually be replaced by private investment funds and provision was also made to enable FNMA to replace an important part of its borrowings from the Government with borrowings from the private investment market.

The Senate amendment struck the provisions from the House bill relating to the rechartering of FNMA but provided that the authority of the present FNMA to make advance commitments to purchase FHA title VIII military housing mortgages be extended for one year to July 1, 1955, and also granted

FNMA authority to make advance commitments to purchase FhA-insured or VAguaranteed mortgages covering property in Guam in an aggregate amount not exceeding \$15,000,000. The conference substitute retains the provisions of the House bill with respect to the rechartering of FNMA except in the following respects: (1) the users of the rechartered FNMA will receive common stock for their capital contributions in place of the convertible certificates (convertible into common stock upon retirement of Treasury stock) that had been provided for in the House bill: (2) the Treasury will receive preferred stock for its investment in place of common stock, and dividends could be paid on both the preferred and common stock out of available earnings; and (3) a formula is provided for the equitable distribution between the Secretary of the Treasury and the private stockholders of the FNMA general surplus and reserves at the time that the last of the Government's stock is retired.

VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

Both the House bill and the Senate amendment contain provisions, which are essentially similar, under which there would be established a voluntary home mortgage credit program under which private financing institutions in an organized manner would undertake to make VA and FHA home mortgage credit available where needed. However, the Senate amendment, as does the conference substitute, strengthens the declaration of policy with respect to the voluntary home mortgage credit program and provides that the development of the program shall be consonant with sound underwriting policies. The conference substitute also provides, as did the Senate amendment, that a representative of the Home Loan Bank Board shall serve as an advisory member of the National Voluntary Mortgage Credit Extension Committee and that the Housing and Home Finance Administrator may act through and utilize the services of the Federal Home Loan Banks in providing regional subcommittees under this program with suitable offices and meeting places and staff

Under the provisions of the House bill, the definition of "private financing institutions" included life-insurance companies, savings banks, commercial banks, cooperative banks, homestead associations, building and loan associations. Such definition as contained in the Senate amendment omitted homestead associations and building and loan associations but added mortgage banks. The conference substitute provides that the definition of "private financing institutions" includes life-insurance companies, savings banks, commercial banks, savings and loan associations (including cooperative banks, homestead associations, and building and loan associations), and mortgage companies.

The House bill contained a provision which would exempt members of the National Voluntary Mortgage Credit Extension Committee and regional subcommittees from the "conflict of interest" statutes applicable to Government officers and employees. This provision was stricken by the Senate amendment. The conference substitute contains a provision making clear that service as a member of the National Voluntary Mortgage Credit Extension Committee or regional subcommittees will not be construed as holding any office or employment of the Government of the United States and thus resolves any question that might otherwise arise as to the application of the "conflict of interest" of statutes.

LOW-RENT PUBLIC HOUSING

The Senate amendment contained a provision in effect repealing the provisos in the Independent Offices Appropriation Acts of 1953 and 1954 which presently limit public housing starts and prohibit the Public Hous-

ing Administration from entering into any new contracts or other arrangements for additional public housing units or projects (except with respect to those now authorized), thus restoring the provisions of the basic substantive legislation. The same provision of the Senate amendment limited annual contributions contracts for new public housing units to 35,000 units during each of the calendar years 1954, 1955, and 1956, and limited the authority to authorize the commencement of construction to 35,000 units during each of the fiscal years 1955, 1956, 1957, and 1958. The program contemplated by the Senate amendment thus would provide for the construction of 140,000 additional public housing units over a fouryear period. The House bill contained no provision for additional public housing, in effect terminating the public housing program after the completion of the approximately 33,000 units still authorized under existing law.

Under the conference substitute the Public Housing Administration is authorized to enter into new contracts, agreements, or other arrangements during the fiscal year 1955 for loans and annual contributions with respect to not more than 35,000 additional public housing units. The new contracts, agreements, and other arrangements can be entered into only with respect to low-rent housing projects which are to be undertaken in communities where a slum clearance and urban redevelopment or urban renewal project is being carried out with assistance under title I of the Housing Act of 1949, as amended, and only if the local governing body of the community undertaking the project certifies that the low-rent housing project is needed to assist in meeting the relocation requirements of section 105 (c) of that Act by providing housing for persons displaced by the slum clearance operations.

The total number of dwelling units which may be contained in any low-rent housing project provided for under these new contracts, agreements, or other arrangements is further limited by the requirement, contained in the conference substitute, that it may not exceed the number of such units which the Administrator determines are needed for the relocation of families displaced as a result of Federal, State, or local governmental action in the community. It should be noted, however, that although the existence of a slum clearance and urban redevelopment or urban renewal project, in the community is a prerequisite to making any new contracts, agreements, or other arrangements for a low-rent housing project, the displacement of families as a result of governmental action other than slum clearance may be taken into consideration in determining the number of dwelling units which may be included in the project.

The net result of the conference substitute is to limit the extension of the public housing program to one additional year and 35,000 additional units, to restrict the authorization of the additional units to communities which have slum clearance and urban redevelopment or urban renewal programs and which require housing for the relocation of persons displaced by those programs, and to limit the number of dwelling units in such projects to the number required for the relocation of persons displaced by governmental action of all types.

The House bill contained a provision requiring owners of all Federally-assisted housing to agree to require from each prospective occupant or purchaser a certificate that he is not a member of any organization designated as subversive by the Attorney General. The Senate amendment eliminated this provision and repealed certain riders in recent appropriation acts which applied similar requirements to lowerent public housing, and substituted a provision requiring all tenants of low-rent pub-

lic housing to be citizens of the United States or to have made application for citizenship, except in the case of families of servicemen and veterans. The conference substitute does not contain either provision.

The Senate amendment added to the House bill a provision requiring that pay-ments of annual contributions for low-rent public housing shall be subject to audit and final settlement by the General Accounting Office in accordance with regular procedures. The conference substitute retains the provision added by the Senate

The House bill contained a provision providing that, where a public housing project is to be liquidated pursuant to the ex-pressed desire of the community, the project may be sold upon the agreement of community to pay its outstanding obliga-tions, and the Federal Government's share of the proceeds from the sale shall be covered into miscellaneous receipts. The Senate amendment changed this provision to require that the project may be sold only upon the payment and retirement of all its outstanding obligations and that the Federal Government's share of the proceeds shall be paid to the Public Housing Ad-ministration and the local public bodies which have contributed to the project. The conference substitute follows the Senate amendment.

HOME LOAN BANK BOARD

The amendments made in title V of the House bill and those contained in title V of the conference substitute differ in the

following material respects-

(1) The House bill contained no amendment to section 407 of the National Housing Act relating to termination of insurance of an institution insured by the Federal Savings and Loan Insurance Corporation. The Senate amendment authorized the termination of the insured status of an institution for continuing unsafe or unsound practices in conducting its business. The conference substitute adopted the Senate amendment with changes designed to assure that the amendment would not impair the supervisory authority of State and local bodies over insured institutions other than Federal savings and loan associations. The local supervisory authority would be given an opportunity to attempt to secure a correction of the unsafe or unsound practice before fur-ther action is taken by the Home Loan Bank Board to terminate the insured status of the institution. It would make the action of the Board subject to court review as in the case of the House bill relating to the ap-pointment of conservators and receivers for Federal savings and loan associations. The authority which would be granted by this provision is similar to the authority which the Federal Deposit Insurance Corporation now has with respect to institutions having accounts insured by it.

(2) The House bill contained an amendment to title IV of the National Housing Act changing the name of the Federal Savings and Loan Insurance Corporation to "Federal Savings Insurance Corporation." The Senate amendment struck out the House provision. The conference substitute

follows the Senate provision.

(3) The House bill increases from \$1,500

to \$3,000 the maximum amount of an unsecured loan in which a Federal savings and loan association may invest. The Senate amendment increased such amount to \$2,500. The conference substitute adopts the Senate provision.

URBAN PLANNING AND RESERVE OF PLANNED PUBLIC WORKS

The House bill authorized the Administrator to make advances to public agencies to aid in financing the costs of the preliminary planning of public works programs, in order to encourage the maintenance by municipalities and other public agencies of a continuing and adequate reserve of planned public works and to attain maximum economy and efficiency in public works planning and construction. The Senate amendment added to the House bill a provision requiring that a public agency applying for such an advance of funds must, before any Federal funds can be made available to it for such preliminary planning, establish a separate planning account in which all Federal and local funds required for plan preparation would be placed. The conference substitute includes the provision added by the Senate

BUILDER'S WARRANTY

The House bill contained a provision requiring the seller or builder of a new oneor two-family house which has a mortgage insured or guaranteed by the FHA or VA to become a warrantor that the dwelling was constructed in substantial conformity with the plans and specifications (including any amendment) on which the FHA or VA based its valuation.

The Senate amendment followed the language of the House bill with the following exceptions:

- (1) The language of the House bill requiring a "warranty" of "substantial conformity" with plans and specifications was changed to a "certificate" of "conformity" with plans and specifications in the Senate amendment. The conference substitute adopts the House language.
- (2) The House bill limited the warranty single and two-family residences. The Senate amendment extended it to three- and four-family residences. The conference substitute adopts the language of the Senate amendment, and thus the warranty will be required for all new sale housing under the FHA and VA programs.

The provisions of the conference substi-tute which would direct the Federal Housing Commissioner and the Administrator Veterans' Affairs to require that the builder or seller of a new home built with the assistance of an FHA-insured or VA-guaranteed mortgage deliver to the purchaser or owner a warranty that the dwelling is constructed in substantial conformity with the plans and specifications (including any amendments thereof which have been approved in writing) on which the FHA or VA valuation of such dwelling was based, are not self-executing provisions which in themselves establish ffect the legal rights of the parties. Such rights are established and governed by the laws of the particular State. The Federal Housing Commissioner and Administrator of Veterans' Affairs must require the builder or seller to enter into such agreement or take such other action as necessary under applicable State law to make the builder or seller obligated to the purchaser or owner in accordance with the provisions of the act. It is the expectation of the committee of conference that, for this purpose, the builder or seller will therefore be required to certify that there were included in the sales contract, or other agreement prescribed by regulation, provisions warranting that the dwelling was constructed in substantial con-formity with the approved plans and specifications, which provisions will survive the settlement of title, the delivery of possession of the property, or other final settlement between the builder or seller and the purchaser or owner.

PUBLIC AGENCY LOANS

The Senate amendment added to the House bill a provision amending the Reconstruction Finance Corporation Liquidation Act so as to place in the Housing and Home Finance Administrator the power to make loans to public agencies for public projects. In addition, this provision appropriated \$50,000,000 to a revolving fund to be established from which advances for such

loans were to be made to the Administrator, and extended the termination date of the public agency loan program for an additional two years.

The Senate amendment also contained a provision granting succession to the Reconstruction Finance Corporation until it is dissolved pursuant to law, rather than only until June 30, 1954, as provided in existing Under existing law, the Corporation will be dissolved when the Secretary of the Treasury finds that all its legal obligations have been provided for and its continuance is no longer in the public interest; the provision added by the Senate amendment would permit the Corporation to continue to handle litigation on its behalf until it is dissolved, thus avoiding confusion and ex-

The conference substitute includes the provisions added by the Senate amendment with the following changes:

(1) The sum of \$50,000,000 is authorized be appropriated to the revolving fund to be established from which advances may be made to the Administrator for the purpose of making loans to public agencies and for all necessary expenses in connection therewith, including administrative

(2) The public agency loan program is to be terminated on June 30, 1956;

(3) The provisions relating to the termination of succession of the Reconstruction Finance Corporation are omitted since they are contained in Public Law 438, approved June 29, 1954.

DISPOSITION OF CERTAIN GOVERNMENT HOUSING

The Senate amendment added to the House bill several provisions relating to the disposition of certain Lanham Act Housing, some of which were acted upon in separate bills by the House. The first of these would authorize the Administrator to acquire, by purchase or condemnation, certain lands in which he holds a leasehold interest, in order to expedite the disposal or removal of temporary housing (particularly in Richmond, Cali-fornia) located on such lands. The second would permit the disposal of war housing without regard to the applicable veterans' preference in certain unusual cases where (for any one of several specified reasons) the allowance of such preference would not accomplish the real intent and purpose of the veterans' preference provisions. The third would authorize the Administrator to convey certain demountable housing (not including land) in the San Diego area, without con-sideration, to (or in trust for) Indian tribes in Riverside and San Diego Counties in California, if the Secretary of the Interior certifies that such housing is needed to provide dwellings for the Indians. The fourth would authorize and direct the Administrator to sell to the University of California, at fair market value, two projects known as Canyon Crest Homes in Riverside County, Calif. The fifth would authorize the Administrator to sell to the Wethersfield Housing Authority (Connecticut), at fair market value, two projects known as Westfield Heights and Drum Hill Park in Hartford County, Conn., to be used by such Authority in providing moderate rental housing. conference substitute includes the provisions added by the Senate amendment with two amendments to the so-called Richmond, California provision, one corrective in nature and the other that would prohibit any official or employee of the city from having any financial interest directly or indirectly in the purchase or redevelopment of any land that may be sold by the Federal Government to the city or its redevelopment agency. The conference substitute also contains a provision which would authorize the conveyance of a 156 unit temporary housing project to the Housing Authority of St. Louis County, Mo., and a provision permitting the sale to the University of South Carolina of a 74-unit public housing project in Columbia, S. C., at fair market value and the use of the proceeds of such sale and the annual contributions now contracted for with respect to that project to be used for the development and operation of a project to replace the project thus sold.

DISPOSITION OF DEFENSE HOUSING

The Senate amendment added to the House bill a provision requiring that temporary housing which was constructed or acquired under the Defense Housing and Community Facilities and Services Act of 1951, and which is no longer needed for defense purposes (unless transferred to the Department of Defense or the General Services Administration under present law), shall be sold as soon as practicable to the highest responsible bidder (or, if any of the bidders are veterans purchasing dwelling units for their own occupancy, to the highest responsible bidder who is a veteran) after public advertising, or may be sold at fair market value to a public body for public use; such housing would be sold for removal from the site unless the governing body of the locality has approved the use of such housing on the The conference substitute includes the site. provision added by the Senate amendment, along with a further provision permitting the rejection of any bid for any housing being sold if such bid is less than two-thirds of the appraised value of such housing.

ADVISORY COMMITTEES

The Senate amendment added to the House bill a provision authorizing the Administrator and the heads of the constituent agencies of the Housing and Home Finance Agency to establish advisory committees to assist them in carrying out their functions, powers, and duties. Under present law (the Housing Act of 1949) only the Administrator has this authority. The conference substitute includes the provision added by the Senate amendment.

TECHNICAL PROVISION

The Senate amendment added to the House bill a provision amending the so-called School Construction Act to authorize Federal agencies to pay local educational agencies (for repairs or reconstruction) insurance receipts covering damage to or destruction of school facilities by fire or other casualty after such facilities have become eligible for transfer to the local agency but before the transfer has been completed; this authorization would, however, be limited to insurance receipts which are payable as a result of premiums paid by the local agen-The conference substitute includes cies. the provision added by the Senate amendment with a further amendment to correct the provision in title IV of the Housing Act of 1950 relating to the rate of interest on loans to institutions of higher learning for student and faculty housing. Under existing law, the rate must be determined on the basis of the going Federal rate, as defined in the law, which is applicable at the time the loan is executed. This rate frequently changes between the time the loan is first approved by the Housing Administrator and the time loan documents are prepared and ready for execution thus disrupting normal processing by the Housing Agency and changing the plans of the borrower with respect to the proposed project. The amendment agreed to by the conferees would provide for the interest rate on these loans to be determined on the basis of the going Federal rate in effect at the time the loan is approved by the Housing Administrator.

CONTROL OF LENDERS' CHARGES AND FEES

The Senate amendment added to the House bill a provision repealing section 504 of the Housing Act of 1950, which directed the Federal Housing Commissioner and the Administrator of Veterans' Affairs to limit and control the fees and charges imposed by lenders upon builders and purchasers in connection with mortgages and home loans. similar provision in the House bill was eliminated when title II of the reported bill (relating primarily to mortgage interest rates and terms) was stricken out on the floor of the House. Section 504 of the Housing Act of 1950 is no longer needed, since adequate authority for the control of these fees and charges is otherwise available. The conference substitute includes the provision added by the Senate amendment. This is intended in no way to remove any protection afforded to veterans and other purchasers against excessive fees and charges in connection with VA and FHA home loans. The VA and FHA will continue to have adequate authority under other provisions of law to control fees and charges paid by purchasers in connection with the initiation of such loans and the disbursement of loan proceeds, and it is the intention of the committee of conference that those agencies will continue to exercise their authority to protect veterans and other purchasers against excessive fees and charges.

RECORDS

The Senate amendment added to the House bill a provision designed to insure that adequate records are kept by persons and local public bodies benefiting by par-ticipation in certain programs under the jurisdiction of the Housing and Home Finance Agency or its constituent agencies. The conference substitute retains, with some changes, the provision added by the Senate amendment. Under the conference substitute every contract between the Agency (or any official or constituent thereof) and any person or local body (including a corpora-tion or a public or private agency or body) for assistance under the United States Housing Act of 1937 or the Housing Act of 1949 must require that person or local body to keep such records as the Agency (or such official or constituent) shall from time to time prescribe, including records disclosing the amount and disposition of the proceeds of any loan, advance, grant, contribution, or supplement thereto, the capital cost of any construction project for which the assistance is made available, and the amount of any private or other non-Federal funds used or grants-in-aid made for or in connection with any such project. In addition, a mort-gage covering new or rehabilitated multifamily housing (as defined in section 227 of the National Housing Act) could not be insured unless the mortgagor certifies that he will keep the records prescribed by the Commissioner. All such records shall be kept in such form as to permit a speedy and effective audit, and the Agency (or any official or constituent thereof) would have access to such records and the right to examine and audit them.

APPLICANTS FOR ASSISTANCE REQUIRED TO SUBMIT SPECIFICATIONS

The Senate amendment added to the House bill a provision requiring applicants for housing assistance to submit full specifications with respect to the proposed construction or acquisition of land. The conference substitute retains, with some changes, the provision added by the Senate amendment. Under the conference substitute, every contract for a loan, grant, or contribution under the United States Housing Act of 1937 or title I of the Housing Act of 1949 must require the submission of specifications with respect to the construction for the award of the construction contract, and must also require the submission of data with respect to the acquisition of land prior to the authorization for a project prior to the acquisition of land prior to the authorization to acquire such land.

PUBLIC HOUSING AUDITS

The Senate amendment added to the House bill a provision designed to assure that the appropriate officials of the Federal

Government will be able to audit and examine certain records which are pertinent to operations under the United States Housing Act of 1937. The conference substitute retains, with some changes, the provisions added by the Senate amendment. Under the conference substitute, every contract for loans or annual contributions under the United States Housing Act of 1937 must provide that the Public Housing Commissioner and the Comptroller General (or any of their duly authorized representatives) shall for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency entering into the contract which are pertinent to its operations with respect to financial assistance under that Act.

REPORT TO CONGRESS OF INFORMATION ON HOUSING

The Senate amendment added to the House bill a provision relating to the reporting of certain housing information to the Congress. The conference substitute retains, with some changes, the provision added by the Senate amendment. The conference substitute specifically provides that the annual report of the Housing and Home Finance Administrator (provided for by sec. 802 of the conference substitute) shall contain pertinent information with respect to all projects for which any loan, contribution, or grant has been made by the Agency, including the amount of any loans, contributions, and grants contracted for. Such report would also contain pertinent information with respect to all builders' cost certifications required by section 227 of the National Housing Act, including information as to the amounts paid by mortgagors toward the reduction of the principal obligations of mortgages under that section.

JESSE P. WOLCOTT,
RAIPH A. GAMBLE,
HENRY O. TALLE,
CLARENCE E. KILBURN,
Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, the conferees on this bill were conscious, in the discussion of the many points at variance between the Senate and the House, of the tremendous interest of this bill both to Members of the Congress and to the public at large. I think in the beginning we should have in mind that almost all important legislation is a matter of compromise. I want to make the general statement that when the bill was before the House I believe I made the statement that it contained about 99 percent of the President's housing program. Since then an investigation has been made of certain irregularities in certain of the constituent agencies of the Housing and Home Finance Agency, so the conferees were confronted with many problems, most of which had to do with writing a bill which would, in the first instance, encourage the construction of homes. And, I might say parenthetically that the conference report which is before us is estimated to make it possible to build somewhere between 1,250,000 and 1,400,000 homes each year. But, being confronted with these irregularities which were brought out by the investigation, the House made a great many concessions, all with the idea that we would tighten up the procedures in such a manner that the probabilities of recurrence of these irregularities would be reduced to a minimum. That has been our objective. I think we have

been successful. The tightening up of the procedures, as we all well recognize, could not be spelled out to the last detail in legislation. We had to leave many of them to regulations, and a broad provision in the conference report is to the effect that wherein we have not spelled out these safeguards in the legislation, generally speaking the administration may, by regulation, supplement the legislation with that objective in mind.

I know that many Members of Congress are more interested in public housing than in any other feature of the bill. However, public housing, although an important part of the bill, is recognized by those who have studied this problem throughout the years to have become a symbol perhaps; but that in respect to the number of houses which would be constructed under the bill, it did not take on the significance that many Members of Congress and many people in the Nation attributed to it.

I shall try to cover some of the highlights of the conference report in the brief time permitted me. In respect to title I, modernization and repair, we gave a great deal of consideration to that, because most of the irregularities were found in the modernization and repair program. You will recall that when the House passed the bill, we provided that modernization and repair insured loans could be made for \$3,000 and a period of 5 years. The Senate amendment which was passed after the investigation, provided that these repair loans should be in conformity with existing law, which is \$2,500 maximum with a maturity of 3 years. We accepted that.

In respect to the improvement and conversion of existing multifamily structures under title I, the present law provides a maximum of \$10,000 and a maturity of 7 years. The House bill provided for \$10,000, or \$1,500 per family unit, with a 10-year maturity. The Senate bill struck that out. The conferees, in effect, accepted the Senate version which in substance retains existing law. But we did something else, which is most important to prevent recurrences of irregularities in title I, modernization and repair loans. Heretofore, a financing institution had in effect 100 percent of its entire portfolio of these loans insured. If an institution had \$1 million worth of title I loans, they would suffer no loss until their loans in default exceeded \$100,000. Because of the very few losses relatively speaking on an individual basis, the financial institutions always had about 100 percent insurance on these loans. We have in this bill what is known as the coinsurance feature under which the lending institution now will have to assume some authority, some responsibility and risk.

Instead of the portfolio being insured in effect in full, now the lender will take 10 percent of the loss on each individual loan. That will compel the financing institution to administer these loans much more carefully or it will have to take actual losses.

In respect to the FHA insurance of houses, you will recall that the House provided for the same insurance on old houses as on new houses. The House had provided for 95 percent on the first \$10,-000 and 75 percent on the excess over \$8,000, with a maximum on 1- and 2-family units of \$20,000. The Senate provided 95 percent on the first \$8,000 and 75 percent over \$8,000 in the case of new houses and 80 percent for old houses. The House maximum on 1- or 2-family units was \$20,000. The Senate reduced that to \$18,000. The House provision on 3-family units was \$27,500. The Senate reduced that to \$24,000. The House provided on 4-family units a maximum of \$35,000. The Senate reduced that to \$30,000.

Of course we had done nothing whatever that would have applied to old houses as well as new houses, but we created a new formula for old houses which I think probably is better in the circumstances than the one we had. The problem there was, when a house was old, how was it going to be determined whether it was going to last during the period of amortization? So although the loan to value ratio is 95 percent of \$9,000 plus 75 percent of the excess over \$9,000 for new houses, on old houses we provided for 90 percent on the first \$9,000 and 75 percent over \$9,000, but the President is authorized when the general economy is such as to require it or where the condition of the building industry-I am speaking broadly nowrequires it, he may increase the \$9,000 figure to \$10,000.

The maturities on old houses instead of being not to exceed 30 years as provided in the House bill is limited to three-fourths of what the Federal Housing Administration estimates to be the remaining economic life of the building, or 30 years, whichever is less.

A comparable situation has to do with section 221 housing, in which you will recall the House had provided for 100 percent insurance and 40-year maturities with \$200 to cover closing costs. The Senate provided 95 percent of the appraised value. The 95 percent prevailed, with the same maturity provision of three-quarters of the estimate of the remaining economic life.

A very important and interesting provision is explained on page 71 of the statement, which has to do with insurance for servicemen. Under existing procedures and law if a man is a veteran or would be a veteran if he were not in the service—that is if he stays in the service and continues his service beyond the time when he might otherwise have been discharged, then we have provided that that serviceman may take advantage of these special FHA provisions in order to provide accommodations for him and his family. These provisions are contained in the new section 222 of the National Housing Act.

On the question of cost certification: We gave a great deal of study to that. In substance but not in detail, we have included provisions which will prevent mortgaging out.

Let me say that I believe anyone may vote for this conference report with the assurance that we have prevailed in 99 percent of the President's program.

I think probably I should take a few minutes to discuss public housing. You will recall when the bill left the House, it made no provision for public housing. The other body provided for 35,000 units for each of 4 years, for a total of 140,000 units of the total of 810,000 units authorized under the Housing Act of 1949. Under the language, as proposed in the other body, there was no cut-off date. They would merely postpone the authority under the Housing Act of 1949 which, as I said, authorized a total of 810,000.

Now, it will be recalled that when the House had before it this question we had the so-called Widnall amendment, in which for 1 year 35,000 units were authorized. I might say that it seemed advisable that we take a look at this program each year and determine whether it would be necessary the second year to authorize another 35,000 new units or any part of 35,000 units. That was perfectly satisfactory to the administration. I dare say that 95 percent of the people of the United States, including at least 50 percent of the Members of Congress, had always thought of public housing in connection with slum clearance, and there has not been a discussion on public housing in this Congress but what there has been a claim made that we must have public housing if we are going to have slum clearance, or slum clearance and public housing are one and the same thing. Nothing could be further from the fact than that; but, to bring these provisions within the realm of understanding of so many people, and to give the administration authority to take care of those people who are being displaced from slum clearance projects. the conferees restricted these 35,000 units for the fiscal year 1955 in this manner: We provided that after the 1955 program, which calls for 35,000 new units, the public housing program would stop as provided in language contained in the Independent Offices Appropriation Act for fiscal 1954. We also provided that within this limitation of 35,-000, which were made available for fiscal 1955, the local governing bodynot a local public housing authority, but the local governing body, we will say the common council, must certify that the public housing units within this limitation of 35,000 are necessary to accommodate people who are to be displaced by the slum clearance projects, and the Housing Administrator must also limit the number of public housing units to those required to accommodate the families which are to be displaced. Those who will say that public housing is necessary as an adjunct to slum clearance surely can have no objection to tying in this program with slum clearance. a slum clearance project is not being carried out in any area, then they cannot get public housing. A slum clearance or urban renewal or redevelopment project is not being carried out until at least the final plans have been approved by the Federal Government.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I am sorry, I cannot yield.

With those limitations we believe we have dealt constructively with public housing, and we are sure that the House will recognize that we have done so. We

hope the conference report will be adopted as submitted.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 15 minutes to the gentleman from Kentucky [Mr. Spence].

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, to include therein a part of the President's message with regard to low-income housing and a telegram by the president of the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, there seems to be some contrariety of opinion on the majority side as to what the President's program was and is in regard to public housing. Some of our Republican colleagues say they have had conversations with him and he has expressed an opinion on public housing other than that in his housing message.

The President wrote a carefully considered message on housing; that was the only subject that was discussed, and that message was unequivocal, definite, and certain. No man could read that message and have any doubt about the President's desires as to public housing.

That message came to the Congress, but it was also a message to the American people. It was heralded throughout the length and breadth of this land, from the Atlantic to the Pacific, from the gulf to the lakes, that the President wanted 140,000 units of public housing distributed over 4 years at 35,000 a year. How anybody can say that this conference report meets the President's views is more than I can understand. The President has expressed his views in a way they cannot be misconstrued or misunderstood, and he expressed them for a purpose. His purpose was to tell the American people what his views were on this most important subject. I assume that if he had changed his views he would have written another message. He has not done so. The gentleman from Michigan said that the most interesting part of this program is public housing.

We are spending billions of dollars in fighting the spread of communism. We are also spending a great deal of money to prevent subversive activities. I grant you that the infamous communistic conspiracies are not formulated in the slums, but the slums are where they get their proselytes and their converts. Where there is unhappiness, poverty, and disease, the people readily fall victim to subversive conspiracies. Slums are a malignant cancer not only on the city but also on the Nation. It is not solely

a city problem.

The President has said what he wants. He has asked for bread and you have given him less than a stone. Yet you claim you have complied with his wishes. I do not think that low-rent public housing is solely a means of clearance of slums. But how are you going to clear the slums unless you have homes for the people that are dispossessed? Here you have a fantastic proposal. The slum dweller is given an opportunity to pur-

chase a house costing \$7,600, or in high-cost areas where most of the slums are, \$8,600, and pay 5 percent down. Five percent of \$8,600 is \$430. Then he would have to pay the other charges, such as examination of title, survey cost, and other things which would certainly run it up to about \$600. The monthly charges would be \$78 a month, I am informed.

Do you believe this is an effective method of relocating people who live in the slums? If a slum dweller were able to pay these sums would he be in the slums of his own volition? So I say there is no provision in this report to help families of low income or to get them out of the slums.

The public housing program was founded on the principles of charity and justice. When you give a man the opportunity to obtain better housing so that his family may have sunlight and healthful surroundings he will have the courage and inspiration to improve his social and financial standing. That is not a bad program. It is not socialistic. There are many big interests that have had favors from the Government so great that they could let their Government subsidies pay for all the public housing units. When the poor ask for something that is socialism. I say the Democratic Party stayed in power for 20 years because of its humane and forward-looking program. If you follow your present course we will come back and stay in power for another 20 years.

There may be some features of this bill that are commendable. I am not saying they are all bad. But I do say the thing that the gentleman from Michigan said we were all interested in more than anything else, public housing to assist the people in the low-income group, is totally inadequate. This is the issue, whether you are going to do something for the people who really need it and in doing that whether you are going to do something for your country and raise the standards of our citizenship and strengthen the security of our Nation.

Nobody can justify slums in this era; nobody can justify our failure to do anything about the slums. The slums are not only a menace to our society, but are very costly. They increase the cost of your health activities; they increase the cost of your fire department; they increase the cost of your police department; they are a bad thing and we should have done something in this bill to remove them. We have not done it. That is plain and that is the issue and we are willing to meet it.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is my understanding correct that, under the conference report, 15 States could not get 1 single unit of public housing because the laws in those States do not authorize redevelopment authorities?

Mr. SPENCE. That is true. The public-housing provision is limited to only 1 year, with 35,000 units. It is so wrapped up in redtape and obstruction

that I do not believe there will be 10,000 units put into effect. How are you going to distribute a few units like that amongst the cities of the country that need them?

I have seen the effects of public housing in my own community. I have seen it convert a blighted area into a desirable residential neighborhood where people live decently. This is certainly a proper function for our Government to perform under the Constitution. The people, in the last analysis, are the Government of the United States. When you improve our people you are adding stability and strength to our Government.

When the appropriate time comes, I shall offer an amendment to instruct the managers on the part of the House to insist on the President's program as set forth in his message of January 25 of this year. If you want to follow the President, here is an opportunity to follow him with confidence and assurance that you are carrying out the program clearly expressed in his housing message to the Congress and to the people.

[From the President's message on housing of January 25, 1954]

III. HOUSING FOR LOW-INCOME FAMILIES

The continued lack of adequate housing, both new and used, for low-income families is evidence of past failures in improving the housing conditions of all of our people. Approval of my preceding recom-mendations will increase the opportunities of many families with low incomes to buy good older homes. But a more direct and more positive approach to this serious problem must be taken by the Government. I recommend, therefore, a new and experi-mental program under which the Federal Housing Administration would be authorized to insure long-term loans of modest amounts, with low initial payment, on both new and existing dwellings, for low-income The application of this new aufamilies. thority should be limited to those families who must seek other homes as a result of slum rehabilitation, conservation, and similar activities in the public interest. I recognize, as did the Advisory Committee, that this program represents a challenge to private builders and lenders. In order to assist them in meeting this challenge, a greater proportion of the risk should be under-written by the Federal Housing Administration than it regularly insures. The suc-cessful development of this program will afford a much greater proportion of our lower-income families an opportunity to own or rent a suitable home.

Until these new programs have been fully tested and by actual performance have shown their success, we should continue at a reasonable level the public-housing program authorized by the Housing Act of 1949. I recommend, therefore, that the Congress authorize construction, during the next 4 years, of 140,000 units of new public housing, to be built in annual increments of 35,000 units. Special preference among eligible families should be given to those who must be relocated because of slum clearance, neighborhood rehabilitation, or similar public actions. The continuance of this program will be reviewed before the end of the 4-year period, when adequate evi-dence exists to determine the success of the other measures I have recommended. addition to this requested extension of the public-housing program, the Housing Administrator will recommend amendments to correct various defects which experience has revealed in the present public-housing program.

WASHINGTON, D. C., July 19, 1954. Hon. Brent Spence,

House Office Building,

Washington, D. C .: Action of the conferees on the proposed Housing Act of 1954 (H. R. 7839) limiting public housing authorization to 35,000 units for 1 year and restricting occupancy of public housing units to families displaced by slum clearance would kill all chances for even a minimum public housing program. The President's recommendation for 140,000 units to be built over a 4-year period represents a rockbottom minimum program. Slum clearance cannot go forward unless low-rent, public housing is available in adplaced families. Urge you do everything possible to obtain a vote in the House of Representatives to recommit the bill to the conference committee with instructions to adopt the President's program of 140,000 units over a 4-year period with no restrictions on occupancy.

GEORGE MEANY,
President, American Federation of
Labor.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Speaker, I must say, as I said when the housing bill was being considered in the House, there are some good features in the bill, most of which were retained in conference, and some features which are not good, about which I assume we can do very little here.

In the first place, I cannot share my good chairman's optimism about this bill being the vehicle on which we can hope to construct 1,250,000 to 1,400,000 houses. I do not want to pose as a prophet, but I am afraid that will not be the record 1 year from today.

As I said on the floor during debate, when we had this bill before us, one of the things which I think is drastically wrong with both the Senate and the House bills, is the failure to provide adequately for the necessary mortgage credit. I asked for this time—and I appreciate the chairman's giving it to me-merely to make 3 or 4 brief explanatory statements. I am not going to argue the point of public housing. Everybody here knows how he is going to vote. But I want the record to be I do not want anyone to be under any delusion that this bill has the public housing program proposed by the President in it. Those who are opposed to all public housing should be pleased by this bill. Those who are not opposed to public housing should be displeased by this bill very much. The issue is clear cut.

Thirty-five thousand additional units of public housing are purported to be authorized in this conference report; but, as the chairman said, they could only be used to rehouse families displaced as the result of governmental action—local, State, or Federal—in a community carrying out slum clearance or urban renewal under authority of title I of the Housing Act of 1949.

Even though your community had complied with section 101 (c) of the Housing Act of 1949, and had "a workable program to eliminate and prevent the development or spread of slums and urban blight"—approved by the Administrator of the Housing Home and Fi-

nance Agency, it would not qualify for public housing under the public housing provision in the conference report.

Fifteen States—and I name them: Arizona, Florida, Georgia, Idaho, Iowa, Mississippi, Montana, Nevada, North Dakota, Texas, Utah, Vermont, Washington, Wisconsin, and Wyoming—do not have laws authorizing slum-clearance and urban-development projects. In Kansas, Maine, Indiana, and Nebraska authority for these projects is limited to one city.

Contracts for the public housing units under the conference report would have to be signed by June 30, 1955; and, as the chairman stated, the local governing body of a community would have to certify that public housing is necessary to relocate families displaced by a slumclearance project.

It is my information—and I believe it to be correct—that only 214 communities in the United States have received even tentative approval—that is, HHFA reservations for capital grants—for slum clearance or urban redevelopment. And only 24 communities in the United States—those with an HHFA final loangrant contract—have reached the stage where they could make the finding necessary to qualify for public housing under the conference report.

It is further my information that several of the communities which could qualify—Newark, N. J.; Norfolk, Va.; Kansas City, Mo.; and Nashville, Tenn.—already have well-rounded urban redevelopment programs and have all the public-housing units they can use at this time.

In other words, if your community is one that does not now have the slum clearance under title I and your community were to take action immediately to qualify, it would take a minimum of 2 years to be in position to take advantage of the public-housing provision in the conference report.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I noted when our very distinguished chairman called up this conference report he referred to it as "the conference report on the so-called Housing Act." I do not think he referred to it that way facetiously, I think he meant just that. It is "a so-called Housing Act." It is not a Housing Act that will produce the kind of housing that the Members of Congress have indicated the country needs.

I do not find fault with any of the conferees who I know devoted themselves sincerely and zealously to the task of bringing back a good housing bill. I do find fault with the report which brings back a bad bill. Yes, as has been said, there are some good things in the bill, but I think the bad far outweighs the good.

I daresay this may be one of the important political issues of the forthcoming congressional campaign, because when you get right down to it, whether you want public housing or low-cost housing or middle-cost housing, you are not going to get much of any of it out of this bill.

As the distinguished gentleman from Alabama [Mr. Rains] tried to point out

to you, while the bill calls for 35,000 new public housing units in the next year, and as the distinguished gentleman from Kentucky [Mr. Spence] also pointed out. it is certain that with these many conditions and ifs and buts and particularly the one that requires the contracts to be made not later than June 30 of 1955, you will not get a single new unit of public housing under this bill. There is not a community that can plan and consummate the negotiation of a contract for public housing in less than 2 years. Therefore, that June 30, 1955, limitation in this bill means you will get nothing by way of new public housing out of this legislation.

When the time comes for the distinguished gentleman from Kentucky [Mr. Spence] to offer his motion to write into this bill the President's program, I have no doubt that many of our friends in the majority party will leave their President, and I have just as little doubt that the day after we will get an announcement from the White House that the President endorses the candidacies of Republicans who will support his program. I wonder where he is going to find them. I know that in most congressional districts, the people will be looking for them in vain in November of this year.

For many years we have been pointing out other defects in the Housing Act. You have heard and read a great deal about the windfall profits that have been made by builders. Let me tell you, as I have told you before, that if there have been any windfall profits made by these builders on any part of this program the Congress is responsible for it. The Congress encouraged it and the Congress condoned it.

Despite the many warnings that have been given to you, you are writing into this bill today, if you pass it as it comes to you from conference, the right and the privilege to continue to make those windfall profits.

Oh, there is a nice little clause here that says you must get a certification of costs from the builder of the rental housing, that is, rental housing that contains more than 4 units, but on the 1-, 2-, 3-, and 4-family units no certification is required and the builder can go on his merry way reaping all the profits he can get out of the building and out of the mortgage money, with your Government insuring that he will not lose a nickel of his money, and your Government insuring that the mortgagee that advances the money will get every dollar of principal and interest back. I remember only a few days ago, publication of some of the testimony adduced in the committee of the other body, showing how in 1 project alone, over \$4 million was made in a single project by an operator who constructed and sold 1-family projects-onefamily houses which were built as independent units and which were not rental housing. You preserve the same very bad features in this bill which is now before you.

There are many other bad things in this bill, the worst of which is the giveaway program by which Fanny Mae will be turned over to the mortgage lenders of the country. The same people who talk about creeping socialism resent our pointing out how this bill subsidizes, with the taxpayers' money, the bankers and the builders of the country. The term "socialized credit" very aptly describes this program. The threat to the free enterprise capitalistic system will not come from helping the masses to help themselves. It will come from give-away programs like this which give the wealth of the country to the capitalists of the country, at the expense of the taxpayers.

The conference report should be rejected.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. O'Hara].

Mr. O'HARA of Illinois. Mr. Speaker, I am addressing my remarks to the conscience of the House.

There are little children in the slums of our big cities. There are women, mothers of those children, and there are fathers who have the same eager longing as fathers in more comfortable circumstances to give to their wives and their children the conditions of a healthy and wholesome atmosphere. They need our help. The little children who go to bed at night hungry, and on the morrow awaken to another day of drab existence, can be helped by us if we will permit our consciences to guide our actions.

Earlier in the day the great and distinguished Speaker of this House, calling its Members to attentive quietude, said that this is one of the most important days of the 83d Congress. He spoke as always is his custom with clear and precise understanding. Today we in the 83d Congress are to make the decision by which this Congress will be judged by those who in later years will write the history of this period. There is but one question here to be answered: Will the House of Representatives of the 83d Congress ruthlessly crush the dream envisioned in the Housing Act of 1949, the dream of a United States of America free of the blight of miserable and hopeless slums?

I need not remind my colleagues on the other side of the aisle that this has been called the Congress of big business. It is true that this Congress has been lavish in the subsidies that it has given in aid of industrial and banking interests. As the great Kentuckian [Mr. Spence] has well said this has never been subjected to the same sort of criticism as is being leveled at the Housing Act of 1949.

My memory goes back to 1949 when there was enacted a housing act of which the late Senator Taft was one of the authors and one of the outstanding champions. Now in the year of his death, when the tributes of affection given at his bier have scarcely been silenced, there are those in this body who loved him and those who followed him with loyalty and fidelity and gave to him the proud title of "Mr. Republican," who are asked to vote for the death knell of the public-housing program which was the heart and soul of the Housing Act of 1949. How can you do it? How can you so quickly forget those words of counsel

that came from the lips of your leader now fallen?

The proposal brought back to us by the conferees is for 35,000 new units of public housing, and then the end for all time of the program that the late Senator Taft thought he had assured as his greatest contribution in public service to his country. It would be bad enough if there were to be 35,000 new housing units, and then the end. But this proposal goes further than that. It is a mockery since the conditions under which these 35,000 new housing units may be contracted for are impossible to be met. The distinguished gentleman from Alabama [Mr. Rains] has shown how fantastic is the pretense that the report of the conferees actually provides for the continuance of the public housing program on any scale even for 1 year. I have checked carefully and I can say with certainty that under the conditions imposed not one new unit of public housing will come to the city of Chicago.

It is like strapping a man to a chair, putting food on the table beyond his reach, and telling him dinner is served.

If this is what you on the other side of the aisle call saving the face of the President, I am afraid that the burning cheeks of the man in the White House will be your own only answer. He will wish from the bottom of his heart that the matter of his face treatment had been left in friendlier hands. The President asked for 140,000 new housing units. You of whom he asked it, the members of his own party, some of whom only vesterday asking his blessing and being photographed with him for purposes of a forthcoming campaign, today are asked to vote to give him not 140,000 housing units but the scant 35,000 so conditioned that there will probably come from it all not one single new housing unit.

Where are your consciences, where is your loyalty to the late Senator from Ohio whom you professed to love and whom you followed in the days when the path seemed to be leading to the power of the Presidency? Some of you followed the star of General Eisenhower in the preconvention period. All of you on the other side of the aisle were hitched to and were benefited by that star in the campaign that followed the conventions. Where now is your loyalty to your chieftain?

General Eisenhower as a candidate pledged himself to giving a helping hand to the most unfortunate of our fellow Americans, the men and the women and the children who are doomed by the destinies of their lives to the hopeless environment of the slums. As President of the United States he acknowledged his pledge, he said that he would be true to that pledge, that he might not go as far as had been charted in the Housing Act 1949, in the enactment of which the late Senator Taft was a vital factor, but that he would use all of the influence of his own personality and the prestige of his office to see that there was provided a minimum of 140,000 new housing units.

Where are your consciences that one day you can ride on the coattails of your President, and the next day subject him to the greatest humiliation that has ever been given to the President of the United States by the members of his own party?

I shall vote with the President of the United States. When it comes to giving a helping hand to misery, to relieving as much as God has given the power to do the distresses of the less fortunate, there should be no semblance of politics. I would have preferred the full program as approved and championed by the late Senator Taft and for which I, as a member of the Banking and Currency Committee, worked and voted for in the 81st Congress.

The gentleman from Kentucky [Mr. Spence], the chairman of the Banking and Currency Committee in the 81st Congress, whose masterful leadership gave to the Nation the greatest housing act in the history of any nation, will move to amend the pending measure to conform with the recommendation of President Eisenhower of 140,000 new housing units.

I shall support the motion of the great Kentuckian. I hope that conscience and a sense of loyalty both to the late Senator Taft and to President Eisenhower will persuade my colleagues on the other side of the aisle to do likewise.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I am glad to yield to the distinguished gentleman from New York.

Mr. JAVITS. I will say to the gentleman that I intend to support the motion to recommit, and that I believe we should back up the President. I believe that the masterful job which has been done here is to reconcile people who are generally unfavorable to federally assisted low-rent housing. But I think those who are favorable to federally assisted low-rent housing have their last chance to vote, and must get behind it today, because I am convinced it will be a major issue in the cities, certainly, in the elections of 1954, and that the great majority of the city people want the President's program.

It is incompatible with the majestic power of Government to provide without providing. The conference report says it authorizes 35,000 federally assisted low-rent housing units for the next fiscal year but the condition tied to it reduces the figure to an estimated 10,000 units. The President has already given us a program which is so reasonable as to be on the minimum side of 35,000 of such units each year for 4 years a total of 140,000 as voted by the other body and we can understand and agree with the President's views which were designed to attract the most widespread support for the program at the same time that it met the rockbottom needs as found by the survey of a Presidential Commission. The reasonable administration program meant just 3 percent of new housing starts to be federally assisted low-rent housing designed to help one-third of our country's families, which come within the generally eligible income brackets, to meet their housing needs. Slum clearance, urban redevelopment, and community development must have advance planning. No such

opportunity is given adequately under the legislation now in the conference

In addition, tying federally assisted low-rent housing to relocation of eligible tenants displaced from slum clearance is impossibly restrictive as it excludes balanced community development with the aid of Federal low-rent housing. Relocation of tenants displaced due to road improvement and other municipal improvements, areas where slum clearance is impractical, the avoidance of the creation of new slums, and the use of open land with great savings is made difficult if not impossible in federally assisted low-rent housing under the conditions of the conference report. State and municipally assisted low-rent housing programs, experience has shown will not flourish unless sparked by federally assisted low-rent housing. It is significant to me that the senior Member of the other body from New York, one of the conferees refused to sign this Though the report has many report. desirable features, and my whole record shows my devotion to all measures to increase the overall supply of housing, I cannot support this report unless it carries at least a minimal amount of federally assisted low-rent housing without impossible conditions as in this way alone is it a balanced housing program for all the American people.

Mr. O'HARA of Illinois. The gentle-man from New York, as usual, has spoken with clarity and realistic understanding of conditions in the large urban centers of the Nation. Those who vote to approve this proposal are giving a death blow to public housing. More than that, they are saying to the little people of America, the little people who live in miserable circumstances, the children in the slums, and the mothers and fathers of those children, that this Government has no heart for them. Those who are photographed shaking hands with the President on Monday should not permit themselves to be found on Tuesday stabbing him in the back.

Mr. Speaker, the vote today will be an issue in the congressional campaigns soon to be in full swing. In my own city of Chicago, with a growing unemployment and a greatly diminished family income, the housing shortage continuing, rents are soaring beyond the financial ability of tenants. They have got completely out of the control of the responsible real-estate bodies.

For 2 weeks there has been lying on the shelf of the Rules Committee my resolution for a select committee from this body to look into the housing and rental situation in Chicago and other urban Come September tenants are centers. faced with meeting further demands for rent increases or eviction into the streets. Their only hope is in quick action by this body, an investigation helpful both to tenants and to real-estate owners who will be ruined by a speculator's runaway spree. Nothing is being done.

It is not only the most unfortunate of all, the human beings living in misery in the slums, who receive no listening ear, no helping hand. The vote today on the motion to provide 140;000 new housing

units, as proposed by President Eisenhower, will furnish to the people a true index of your intention toward all who suffer from a continuing housing shortage and for relief are given no housing program to bring decent roofs within the reasonable reach of a majority of our

The SPEAKER. The time of the gentleman from Illinois [Mr. O'HARA] has expired.

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Speaker, this conference bill on housing has been variously described as a "compromise" or as a "partial victory" for President Eisenhower on the public housing issue.

Actually, it is death for public housing-not quite sudden death, it is true, but a lingering, agonizing, 12-month decline into a corpse.

Here is how the so-called compromise works: The 33,000 units presently committed and presently being built cannot, of course, be stopped. They will go on to completion. This bill says that an additional 35,000 units can be arranged for by the Housing and Home Finance Agency and the housing authorities of the various cities, and that is all. After those 35,000 units are committed for, the program ends.

But even while authorizing this anemic diet for the final year of public housing. the conference report puts ground glass in it by providing that only those families actually displaced from their present homes by redevelopment can be housed in the new units.

That will so limit and so restrict the practical use of these last remaining 35,-000 units of public housing, that many cities will have no use for them.

So, under this bill, as I said, we are not only starving public housing to death in the next 12 months, but sticking knives into the victim and feeding it ground glass to speed its demise.

Is this, then, a compromise on the 140,000 units over 4 years that the President asked for? Certainly it is no compromise at all, but a one-sided victory for those who most bitterly oppose any and all public housing.

I have seen some news stories on this bill which indulged in this kind of arithmetic:

First. The President asked for 140,000 units over 4 years.

Second. A total of 33,000 units is now going forward.

Third. A total of 35,000 units is proposed in this bill.

Fourth. Add 33,000 and 35,000 and you get 68,000.

Fifth. Therefore, President Eisenhower is getting just about half of what he asked for, since 68,000 is about onehalf of 140,000.

What the arithmetic ignores is that President Eisenhower asked for 140,000 units over and above the 33,000 units which were already in the works under He asked for 140,previous programs. 000 new units. He is getting 35,000.

Actually, Mr. Speaker, we need and could use at least 100,000 units of new public housing in this country every year. The President's Council of Economic Advisers recently reported how housing starts in this country have been down every month this year, below comparable levels of the previous years when we were building well over 1 million new American homes a year. We need vast numbers of new homes for the growing population of the United States, as well as for the dwellers of slums who live in quarters unfit for human beings.

Recently, Mr Speaker, I noted for the House some comments on the housing situation by Hans Froelicher, Jr., who is generally regarded as our "Mr. Housing" in Baltimore, and is nationally known as president of the Citizens Planning and Housing Association, which has been instrumental in the rejuvenation of Baltimore's slum housing and in planning for a better-housed community

generally.

Since quoting those extracts from his remarks as contained in a Baltimore Sun news story following a dinner of June 1 honoring Mr. Froelicher's 10th anniversary as president of the Citizens Planning and Housing Association, I have come into possession of the full text of the talk he delivered that night.

In view of the fact that it shows the problems of those civic-minded people in our communities trying to band together to help rid our cities of the slum blight, I think it would be appropriate to have it included in today's Congressional RECORD which also contains the debate on this housing bill, and so I ask unanimous consent that it be printed in full in today's RECORD.

But I should like to quote briefly from it right at this point:

Rebuilding and renewing a city takes as long as history. In fact, it is history. It takes the greatest part of the financial substance of each citizen. This places at the door of business an immense responsibility. Businessmen, and only businessmen, can make it possible for change to pay. long shall we wait for Baltimore businessmen boldly to plan and execute a transformation like that in Pittsburgh? * * *

Bad housing is the cancer of our cities and for this cancer there are many tonics but only one specific. That specific is our acceptance of responsibility for our neighbors and ourselves with all the sense and ingenuity that we can muster.

I challenge each of you that there is very much to do. This challenge goes to you who know the problems and especially to you who face these facts for the first time tonight. What you owe is to yourselves because there 's no one here whose health and home, whose wages and taxes, are not affected by our negligence. There is no one here who does not sink as the waters of living seek their lowest level.

Mr. Speaker, I think the philosophy this represents, coming from a man credited with accomplishing miracles in Baltimore's housing redevelopment and rehabilitation, should impress us all with the urgency of making redevelopment more practical and more effective, and that means a real public-housing program, not the halfhearted kind the President has suggested. Certainly it means doing much more than this bill proposes, for this is a bill to murder public housing within the year.

I wonder if the conferees who agreed to this anti-public-housing bill have ever seen and smelled and understood what slums are really like, and what they do to the human beings so unfortunate as to have to live in these wretched hovels. I do not see how anyone who has visited such neighborhoods could ever again question the need for public housing for those for whom private enterprise just cannot, as a practical matter, provide decent shelter.

As a last word, I would like to quote Hans Froelicher's recollection of his first tour of a slum area—his first introduction to a field in which he is now a nationally recognized expert. He said:

I must have touched something because I wanted nothing except to take a bath and burn my clothes. I could not bear the thought of food because I had seen and smelled a rotting mass in a filthy, faulty outside hopper.

Mr. Speaker, it is not a pretty picture to reconstruct here in the dignity and quiet elegance of the House Chamber. but it is a picture drawn from life-and it is our job to face life as it is and do what we can about improving those things subject to our jurisdiction. This is one area where failure of the Congress to act, where unyielding opposition to public housing, would reflect the same blindness to conditions that characterized Marie Antoinette's innocent remark that if the populace was unable to get bread, why do not they eat cake? She did not know any better; she had no way of knowing the people were starying.

Is Congress similarly unaware of the tragic housing needs of large segments of the American people? Are there Members here who believe, with Marie Antoinette's innocence, that people live in slums out of choice?

They live there, Mr. Speaker, not out of choice, but out of desperation. This bill condemns them to stay where they are—in the filth and in misery—and to raise their kids as best they can to love an America which seems to forget them.

Mr. Speaker, under unanimous consent of the House during my talk today on the conference report on the housing legislation, I include a moving speech entitled "Ten Years As a Volunteer" by Hans Froelicher, Jr., at a dinner in his honor in Baltimore on June 1. Mr. Froelicher, president of the Citizens Planning and Housing Association of Baltimore, has been the sparkplug stimulating Baltimore's remarkable progress in restoring housing standards in our community. But despite all this progress and Baltimore's national wide reputation for the work it has done in this field, he notes that Baltimore still has the highest percentage of dilapidated housing of any large city and that much remains to be done.

It is very fitting, I believe, that his philosophy of combatting housing blight should go into the same Congressional Record which contains the House debate on the issue of public housing, as it has been drawn in the conference report seeking to kill public housing.

Mr. Froelicher's address is as follows:
TEN YEARS AS A VOLUNTEER

(Address by Hans Froelicher, Jr., June 1, 1954)

The days ahead will never be enough in which to thank you for your thoughtfulness. That I must do tonight. That goes double for Joyce Froelicher and me. We love people and it is in our hearts to love and to trust them. For us, this night is a renewal of our faith—a wonderful sign, outward and visible. If tomorrow's light and duties cut us down to size, it will not be the same size. We shall be, to paraphrase the words of our Park School prayer, "a little happier and a little better for your influence." You have added to our size because you have, by coming here, inspired and wrought in us a greater dedication for tomorrow. Our deepest thanks to each of you.

I had my moment of vanity when it was first suggested that I might be the guest of honor tonight. Vanity passed, and following came fear: fear lest there be some who thought that naming one volunteer would be affront of arrogance toward the so very many others. Then fear was gone because I knew a story that should be told. I tell it as your volunteer-in-common.

I shall not try to unwind all the threads which have been shuttled into the pattern woven here tonight. For each part I have had, there have been so many, many others lending their talents and their devotion that time would run out if I tried to name their They know, and so do I, that we are a fabric: each one a thread to make the fabric strong and each one, in his especial hour, the thread to hold the whole together. This dinner is, therefore, much deeper than an individual honor. It is a testimony that there must be the volunteer in our democ-Where volunteers are able to make good-objectives-for-citizens into good politics for politicians, they supply the leaven which can make democracy rise to its point of greatest realization: to the point where government is made to serve its citizens. Your presence here is recognition of this fact, a fact of which I am one symbol.

My story is a story of people, first a few, then more, then many, many more. I hesitate to call it a movement because even in its ever-increasing complexity it was at first and is now and always will be the people.

CPHA began in the minds of a few who saw the desolation and the waste there is in slums. Very simply, they decided that slums should be eliminated. They set out to enroll others in their tiny Citizens Housing Council. Social workers were the nucleus, but they knew from the beginning that a broader base was needed from which to work. At that time in Baltimore there was no housing code. A sample of public housing had slipped into the city in place of slums and there it was, un-understood. Urban redevelopment was a phrase to describe the dream of planners. The odds against housing reform were tremendous.

The social workers and their friends found other friends. They found professional people: planners, architects, lawyers, educators, representatives of labor, all seeking support for a dream. The tiny council became the Citizens Planning and Housing Association. It was launched with a series of seminars at the Peale Museum. That was where this one volunteer came in. I listened, and if I listened with dismay, I learned. I learned that there is no escape from the cost of blight to me even if I move from Bolton Street to Prettyboy. My wages must depend on the city's business health—on its piers, its stores, and its factories. The foundation stone of the city's business health is the city's real estate and nothing is more vulnerable to carelessness. Let a house, let a neighborhood run down and with such slippage go

tax values and then taxes. The blighted place costs more to run, more, much more, than it yields in taxes. This waste becomes the burden of our piers, our stores, and our factories. This is not all. No one has invented the bookkeeping machine which calculates the cost to me of the crime and the illness fostered by, and festering in, an over-pcpulated slum. But any man can tell when a slum disease moves into his family and when a slum-bred highwayman snatches his woman's purse and slugs him or slugs his peaceful neighbor. If I am impelled blithely to traipse to Prettyboy from Bolton Street, what absurdity is there if a business moves from Canton (Baltimore) to Canton (Ohio)? I cannot simply stand aghast at the cost of slums, nor can I move away when I know there is a place at which a part of this could stop. For me, myself alone, I owe what hard and commonsense I can hammer out to save my wages, my body, and my spirit.

I heard all this. On all this I pondered.

I heard all this. On all this I pondered. And then I went to see. I took a slum tour. For the first time I sensed a slum. I had been there before, but I had traveled with passing glance. This time my senses took them in.

I must have touched something, because I wanted nothing except to take a bath and burn my clothes. I could not bear the thought of food because I had seen and smelled a rotting mass in a filthy, faulty outside hopper. Most ominous of all was the way the neighborhood drew in its skirts. Shutters closed, children were beckoned into their houses. I was an intruder, I was resented. Here and there I saw a potted plant, a trim curtain, or a little girl in starched and spotless gingham. How come these somethings? Was there some hope in this? Was there ought a man could do?

Never was greater call for doing good. Never was a "do-gooder" more useless. Indignation was not enough. People must change. Slum dwellers, slum landlords, comfortable citizens, indignant citizens, law-makers, officials, newspapers, and schools. Before people can change, people must know. And when they know, there must be clamor. The first job of CPHA was to set out to raise this clamor. The voice of a few must become the voice of many.

Years pass, and I visit another slum—this time with the boys and girls of my school. The conditions are similar, but the atmosphere is somehow changed. Intruders, no, nor meddlers either. We were invited into houses. We and the policeman who guided us were welcomed as friends. This was 10 years and a thousand events later. Those busy years had made a city aware of its blight. Its officials had done something. Supported and urged by a clear public voice, the city had begun to move in. The city and its people do care, "Slumming" has a new meaning now. A carnival of visitors is the forerunner of action toward something better. Those visited know this. Fifth, decrepitude, and exploitation cannot continue.

This now is a city's will.
These are not idle words. They are facts:
200 square city blocks of blighted homes
have been improved under the Baltimore
plan; 130 acres of slum dwellings have been
cleared away to make room for something
better—that is, 7,000 dwelling units of public housing and 2 private redevelopment
projects; 24,000 outside toilets have been
removed and we are no longer champions in
this statistic. A million board feet of rotting
fences have come down. A housing court
is an accepted part of our judicial system.
Our housing code has been rewritten with
a new level of minimum standards for all.
A Housing Bureau, fortified by this code
and our court, has now sufficient capacity
and experience to carry forward rehabilitation by neighborhoods instead of piecemeal.
Directly benefited by all of this are thousands of our neighbors directly and indirectly, hundreds of thousands have had a

level up. Behind and around all this is the planning to make these many works coordinate and lasting, now coming onto blueprint paper in the form of a master plan for the land-use of an entire city. step a battle, in sum this progress is imposing triumph for a city, for its mayor, its city council and its people. These are the accomplishments of a city's officers. They the experts; they are the doers, the builders, and they will sign the reports. To them all honor. Back of them the volunteer, whose place we celebrate tonight-no longer one, or few, or alone. Our 2,000 are a nucleus of many interests and with such interests we make and keep alliance. Our volunteers now are disciplined volunteers and often, if you please, professional volun-teers. They have learned that good intent teers is by itself of little worth.

How many of you can echo, from his own experience, my unconfidence of many years ago? How many times you and I have tried to do something of worth only to have it fall because, as volunteers, we could not give the time and constancy demanded. I was unconfident because I knew that when my time was needed by my school, school would come first and slums would have to drift. My school was always first but the slums never drifted. I discovered that the professional was the necessary complement and partner of the volunteer. When I must default, the staff stepped in and found my substitute. We carried on, though I could not. That is how, working together, CFHA has been able to bring its major projects to result.

We found much more depended on our staff. They were the agencies of our discipline—our constancy and our consistency. Not only did they find us the facts, but with patience and with understanding, they made us masters of the facts.

Forgive an interruption. And, Frances, forgive a disobedience. Frances' orders were to stick to the volunteer and not to mention her.

I have been describing a technique, yes, but one which has been developed with artistry and love by an artist.

What loss there would have been if the callow social worker who wrote the Study of Wards 5 and 10 had called that her day. Fortunate are we because her courage and devotion have builded on that start of startling facts and because each of her days is lived for making new tomorrows.

I turned to William Wordsworth for a way to talk of Frances. There were two poems from which to choose, one titled "She Was a Phantom of Delight," the other "Ode to Duty." See my quandary when I read in the Ode to Duty:

"Stern Daughter of the Voice of God, Oh Duty! if that name thou love, Who art a light to guide, a rod To check the erring, and reprove."

And turning back to the first poem, I read:

"I saw her upon nearer view
A Spirit, yet a Woman, too!
A creature not too bright or good
For human nature's daily food;
For transient sorrows, simple wiles.
Praise, blame, love, kisses, tears, or smiles."

"And yet a Spirit still, and bright With something of angelic light."

No quandary now, I had to reach them both.

Now back to the volunteers.

Out of this has come a catalog of volunteers at the service of our city: Social workers, architects, lawyers, labor leaders, educators, businessmen, and housewives, who have trained themselves to be experts on a city's business. Many and many a time the drudgery of the office has been done by those who could afford to give us that exactly. Today,

no matter what the crisis, we have those to whom we may apply. Whether it be the mailing of a thousand things, a public hearing, or the final touches on a city plan, we have those who are ready and who come. They come and they have come because they and their predecessors have been successful in bringing about community change.

Each successful volunteer has brought in more. In this way, group after group has become identified with the objectives of a city. We have reached into groups as we have needed them and they have needed us. If we started with social workers, shortly we found the social workers joined by planners.

The first triumph of the social-work group was, believe it or not, to find tenants for public housing. The first triumph of the planners was to find citizens who understood their ambitions for a city. With them came architects, educators, others. Planners and businessmen were working up the idea of redevelopment. In us they found a public to back them up.

Redevelopment legislation was put on the books, but it was long years before there was redevelopment. While it was left in ferment, CPHA had pressing problems to face. One work of 7 years was the reconstitution and reorganization of the Housing Authority to the end that it should serve its purpose. The other problem was that of furnishing a force of public opinion to back up the "Baltimore plan" in its embryo stage of law en-forcement. Our natural allies here were those who worked with real estate and mortgages. Some of this group, who joined our board, picked up the torch of law enforcement. Their concentrated work advanced this program to a new frontier for Baltimore and a deeper frontier for the country at large. A Baltimore plan of neighborhood rehabilitation is now a nationally espoused purpose of the mortgage bankers, the home builders, and the real estate men.

Through the years CPHA has helped the public schools to learn that they are not helpless in this problem of their neighborhoods. They have found 100 ways to arm their children with the hope for better living and the feeling that they themselves can do something.

The latest group to join with us is the improvement associations. Today neighborhood organizations are pioneers. A Mount Royal group, for instance, invited the city to come in with its neighborhood rehabilitation program. Then, they rose as a man to hold fast to the plan for a State office building in area 12. They found that their interest was the interest of a whole city and they used our staff as their asset of education and consistency. As of now, they have borrowed a leaf from our book and have their own executive secretary.

I have told you a story of success but Baltimore is not yet successful. Baltimore has lost its leadership in outside toilets but still has the highest percentage of dilapidated housing in any large city. Slums, a city's most expensive luxury, remain a gold mine for some. This is a tough and disagreeable business. Baltimore cannot relax.

CPHA is no exclusive club. We must enlarge our circle in order to carry on and in order to bring to bear a city's conscience on its problems. We must see to it that we reach the potential volunteer of any age.

Unrealized and untapped is the strength that we must see and develop in those who by necessity live in slum neighborhoods. This means a close partnership between the schools and those who work in social welfare and church groups. CPHA must help groups in every neighborhood to make their voices heard and to make their own partnerships with the agencies of the city.

It must help those city agencies to discover and use this potential in citizen interest. Here we might cite the citizen support now building in the field of recreation.

Rebuilding and renewing a city takes as long as history. In fact, it is history. It takes the greatest part of the financial substance of each citizen. This places at the door of business an immense responsibility. Business men and only business men can make it possible for change to pay. How long shall we wait for Baltimore business men boldly to plan and execute a transformation like that in Pittsburgh?

We are proud of our sister organizations: The Citizens Planning and Housing Association of Annapolis, the Howard County Citizens Planning Association, and the representatives of Pittsburgh, Philadelphia, New York, Boston, Cincinnati, and Washington housing associations who are here tonight. We are convinced that in each community there must be a voice which is clear and confined to this specific public interest, and it is our purpose to help foster such developments elsewhere.

Bad housing is the cancer of our cities and for this cancer there are many tonics but only one specific. That specific is our acceptance of responsibility for our neighbors and ourselves with all the sense and ingenuity that we can muster.

I challenge each of you that there is very much to do. This challenge goes to you who know the problems and especially to you who face these facts for the first time to-What you owe is to yourselves benight. cause there is no one here whose health and home, whose wages and taxes, are not affected by our negligence. There is no one here who does not sink as the waters of living seek their lowest level. Compassion or dismay are motive power, but they are not enough. Each must make the journey of his spirit from the selfishness of self-protec-tion or the selfishness of "doing good" to the selflessness that shouts: This can and must be done by us. There is no short, no simple way. Each first must know the facts: our city's policy, its money, and its servants and their plans. Each then must share and push—giving at each crisis his time or thought or money. This is no one-shot sale, nothing to "file and forget." This is your part, our part, in making work our urban, industrial civilization. It is setting a standard for living which is not of things, but of responsibility.

There is no they to do it for us, so the myth of them must be exposed. It is given to each generation to give new meaning to the honored phrase, "We, the people." To this end I pledge the next years of CPHA. Into this process, we invite you. Into such process the year 1954 commands you.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I am sure we were all impressed with that very eloquent and emotional appeal by the gentleman from Illinois [Mr. O'HARA]. I am not so sure that he correctly stated what the issue will be before the country this year. I am impressed with the fact that the issue before the country should be whether we are going to be able to perpetuate this glorious young republic, the last haven of refuge of the free people on the face of the earth and not permit it to be bankrupt and become a prey to communism. I think the question should be whether we are going to be able to have a balanced budget; whether we are going to be able to operate this Government on a sound fiscal policy.

Mr. Speaker, when this matter was under consideration before on sending the bill to conference, some of us wanted to have a showdown then on that question, and we had quite a colloquy here,

with the understanding, we thoughtthose of us who opposed this socialistic scheme-that we would have a direct vote on whether we are to have any new public housing. I understand now that the gentleman from Kentucky [Mr. Spencel will exercise his right, and I think he has it under the rules of the House, to offer a motion to recommit the bill. With instructions to bring in an authorization for 140,000 units. This will preclude the carrying out of that agreement.

Mr. SPENCE. I was not a party to

any agreement.

Mr. COLMER. The gentleman was here when the agreement was made. Let

me go on, if I may.

The issue is coming on a motion of the gentleman from Kentucky [Mr. Spence] when he wants to reinstate 140,000 units. That was the same question that we had under consideration in this House on April 2 of this year on a similar situation with which we are confronted today, a motion to recommit, made by the gentleman from Missouri [Mr. Bolling] to put these 140,000 units in, and this House voted, by a resounding majority, against that motion and provided for the winding up of the public housing program. Here is the record showing how each of you voted. And I think it is only fair to say that this group which sits on my right, the northern Democrats, who believe in that philosophy, voted for the motion.

A large portion of the group which sits on my left, Republicans, are opposed to that philosophy. They voted their philosophy against public housing. That

was on April 2.

Mr. HALLECK. Mr. Speaker, will the

gentleman yield?

Mr. COLMER. I yield to the gentleman briefly, but I have not much time.

Mr. WOLCOTT. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HALLECK. The gentleman has referred to the debate that took place here at the time we sent this measure to conference. That was on June 17. I just want at this point to make my position perfectly clear. I have the copy of the Congressional Record before me and I have read all that was said by the different Members.

At that time the issue was whether or not certain people who were opposed to public housing should make a motion to instruct the conferees but would forgo that: that when the conference report came back if it included public housing then the way to get at it directly and to raise the issue, to present it, would be to make a motion to recommit to strike out public housing. I made that suggestion as far as I was concerned in good faith.

There were numerous statements made by the gentleman from Mississippi and by the gentleman from Virginia [Mr. SMITH] in line with that suggestion; and as the gentleman pointed out, as far as I can discover in the RECORD, there was no suggestion that any effort would be made to deprive the gentleman or any of his colleagues who have been in opposition to public housing of the right to make the motion to recommit.

Of course, as the gentleman points out, the rules are otherwise. If the gentleman from Kentucky insists on the motion to recommit, then, of course, the Speaker would be required to recognize him. But, again, as far as I am concerned I want to make it clear that those statements are made by me, and if there were any way now to see that that obligation that was created could be carried out I certainly would do it.

Mr. COLMER. Permit me to say in reply that the Member now addressing the House has not charged the Majority Leader with bad faith nor has he charged the gentleman from Kentucky with bad faith. All I can say is that it is a very unfortunate situation that has arisen here. Personally I would want to see the whole thing thrown out, but we have gotten ourselves into this situation and you are going to be called on now very shortly to say whether you are going to stand by your convictions of April 2 when you knew what the President's program was then as well as you do now, or whether you are going to change. That is the whole issue involved.

I might add, Mr. Speaker, that in view of the provisions of the bill and the decision of the packed Supreme Court denying segregation in these projects that it would be most difficult if not impossible for Members from my section of our common country to vote for any number of units, regardless of how small.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. WIDNALL].

WIDNALL. Mr. Speaker, housing conference report presents an overall bill to promote and encourage housing construction in the United States that should receive support in both Houses.

Since I have become a Member of the House I have been interested in providing the opportunity for homes and better housing for our people.

One of my first acts in the House was to sponsor a nationwide housing investigation which resulted in the creation and constructive work of the Rains committee. As sponsor of the investigation, I was named as a member of the com-

That committee conducted hearings throughout the United States and as a result of its investigations and findings thousands of cases of defective home construction were corrected and the possibilities of future errors were eliminated. Inspections, plot planning, and other home construction features were improved and safeguards provided for future home purchasers.

In the conference report on the new housing bill I am particularly pleased for several reasons.

First. The possibility of continuation of a sound public housing program is provided through adoption of a conference amendment that is essentially one provided in an amendment I offered to the House on April 2, 1954, when the House bill was first debated.

At that time I offered an amendment which proposed to continue the public housing program with 35,000 units for the fiscal year 1955. If permitted 35,000

additional units in the piplines necessary to meet the problem of relocating lowincome families who were to be displaced by demolition of slum areas or other governmental action.

Although defeated in the House at that time it is now substantially as originally written in the conference bill. It means the continuance of a public housing program, tied into actual slum clearance, which was the original intent of the pub-

lic housing program.

Second. Section VI of the conference report incorporates almost entirely as originally written a House bill introduced by me this year to provide a voluntary home mortgage credit program. This section seeks to provide and facilitate the flow of credit in sparsely populated areas, where thousands of families have previously been unable to provide adequate, modern housing for themselves. It seeks to develop a market voluntarily, at no cost to the taxpayer or the Government that will build good homes in the outer areas of the housing market.

With this section VI a great opportunity is provided for private enterprise in home construction. It should be a great

step forward.

Third. Within the new housing bill is also a provision for a certificate of compliance to be provided by the builder or seller. This is a fine provision for better building and finer construction. It is the outgrowth of the House housing investigations and should largely eliminate the previous shortcuts and frauds of defective construction, inadequate sanitation and drainage facilities. I am particularly pleased about this section because it is the direct result of the investigation of our House Housing Committee.

This bill should provide, as stated by Majority Leader Halleck, housing starts of over 1,400,000 per year. It is an incentive to good building-toward home ownership-and the ability of the average American to provide a modern home for his family.

There is nothing you can name that will prevent and provide a better cure for communism than a well-housed America. With this bill the ability of all Americans to provide adequately for the family is envisioned. There is a real sense of pride in assisting in the formation of its provisions.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the Record and have 5 legislative days in which to revise and extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mrs. BUCHANAN. Mr. Speaker, the motive behind this conference report stands stark and clear for all to see-it is to bring the public-housing program to an end as quietly and effectively as possible. Of course, it follows the pattern of all the other administration programs against the public interest. It is all tied up with pretty bows and ribbons in a desperate attempt to make the people think they are getting something.

For even the most bitter foes of public housing know that the people want an adequate program providing decent shelter for low-income groups.

The bows and ribbons in the conference report—the sugar-coating—is the authorization for 35,000 additional public-housing units during the fiscal year 1955. But this authorization is subject to the limitation that a low-rent housing project may be undertaken only where a slum-clearance program is being carried out and there is a certification that the project is needed for families displaced by the slum-clearance operations.

Now, this limitation is not only directly opposed to the program as presented by the President in his budget, but also to the recommendations of the President's Advisory Committee on Government Housing Policies and Programs. It is important to note that this 23-man committee, made up predominantly of representatives from private real-estate and financial interests, recommended the continuation of the public-housing program as contained in the Housing Act of 1949 to meet the continuing housing needs of low-income families pending demonstrated progress of other programs recommended by the Committee.

There is not the slightest evidence in the recommendations of the President's Advisory Committee that public housing should be restricted to families displaced by slum clearance activities. On the contrary, there is every indication that this committee recognized a continuing need for public housing until it becomes clear that the private housing market could take care of the problem without the need for direct subsidies.

The report of the Advisory Committee shows that 29 percent of the families in public housing were receiving public or private relief or were recipients under social security or other public pension or payment plans. Over 26 percent of the families admitted are broken families; that is, families with children but only 1 adult present. And during 1952 the average annual income of families admitted was \$1,986.

Nearly half of the families admitted are families of veterans or servicemen.

During the years 1952 and 1953 only 7 percent of families admitted to public housing were families who had preference because they were displaced from title I or other public slum clearance sites.

Thus, it is clear that the great proportion of families who need public housing assistance would not be eligible under the conference committee substitute. This provision is a cruel sham and a fraud upon the millions of families who are living in crowded, unsanitary, and substandard conditions.

It would not be possible under this conference substitute to relieve over-crowded slums in planned stages. For example, if there were 3 families living in a substandard dwelling, it would be impossible to take 1 of the families out and give it public housing assistance. It would be necessary to tear the whole unit down and displace all three.

Families of low-income veterans and servicemen, making up nearly half of

current admissions, could not have units planned for them unless they were to be displaced. This bill extends veterans' preference for another 5 years, a provision to be commended, but at the same time it says: "No, no, veteran, there's no housing for you unless you have been displaced."

Let us see how this program before us today will help my own district, an area which is in desperate need of housing. During 1953, in the city of McKeesport, for example, a total of 81 families were admitted to public housing units and not one-not a single one-had been displaced. And in Pittsburgh only 3 percent of all families admitted to public housing during the years 1951 through the first half of 1954 were displaced. These figures, which are typical of the rest of my district, are graphic proof of how effectively this provision will result in as few public housing units as the foes of the program could devise under a token authorization.

Is there no limit, Mr. Speaker, to the lengths this administration will go in removing the substance and leaving only the form of all legislation dedicated to the people's interest?

We all know that if the administration sincerely wants more than a token housing authorization it can get the votes to recommit this bill. We saw only a few days ago when the administration farm program was here, how effectively it could apply pressure in behalf of legislation it really wants.

Let us recommit this bill and insist that it be amended to include the bare minimum of 140,000 units over a 4-year period as recommended by the President and passed by the Senate.

Mrs. SULLIVAN. Mr. Speaker, I realize that it is impossible to have complete unity within any national political party on every issue or even on any single issue. But when it comes to the Republican Party and this issue of public housing, I must admit I am puzzled and confused.

The Eisenhower wing of the Republican Party, after first expressing uncertainty about it and studying it thoroughly and carefully, finally recommended a continuation of the public housing program. But the so-called Taft wing of the party fights savagely against any public housing, and in this bill seems to have succeeded in killing public housing by next year, unless a Democratic Congress is elected in November.

But here is why I am so puzzled: The leader during his lifetime of the Taft wing of the Republican Party, the man who gave his name to that wing of the Republican Party, was one of the great friends of the public housing program. He was a co-author of the Housing Act of 1949, the public housing provisions of which this present housing bill would repeal.

Is it a case of the Eisenhower wing of the party now following the late Senator Taft's philosophy—at least in part—on public housing, while the founder of the Taft wing of the party is deserted on this issue by his own following?

Some of our Republican colleagues, Mr. Speaker, have joined in promoting

the establishment of a foundation to honor the principles which Senator Taft fought for during his lifetime. Wouldn't this issue of public housing be as good a place as any in which to honor the Senator's principles?

To me, Mr. Speaker, there is no more fitting tribute to be paid to a leader who has passed on than to build in his memory the kind of monuments that provide happiness for people. And there is nothing which is more conducive to happiness for American families than a decent home environment in which to raise children.

I respectfully suggest to my Republican colleagues, Mr. Speaker, that they forget their animosity to the public housing program, and forego the pleasure they may get out of killing the public housing program, in order to honor the late Senator Taft by continuing a program of government in which he deeply believed—a program of government which brings happiness to families now living in indescribable conditions of misery and poverty and dirt.

I shall vote to recommit the bill to conference to restore the public housing program, and I hope enough of our Republican colleagues will join us in that—as a monument to Senator Taft—to enable us to save the small portion President Eisenhower has seen fit to recommend of the broad-scale humanitarian program enacted at President Truman's request in 1949 with Senator Taft's enthusiastic assistance.

Mr. HOWELL. Mr. Speaker, every recognized expert in the field of housing and municipal planning tells us that we have it within our power to rid the United States of substandard housing and provide decent homes for all of our people and to do it without straining our economy.

But it takes planning and it takes foresight. It takes boldness. There is none of that in this housing bill. This is a bill which sets as a goal the construction of 1 million homes a year of which only 35,000 units—for only 1 year—are to be public housing.

Will that solve our problems? The

answer is very definitely, "No."
Recently, Dr. William L. C. Wheaton,
University of Pennsylvania authority on
city planning, reported to the National
Housing Conference, that at a rate of
1 million new homes a year, our substandard housing units will never be
replaced and we will have more substandard housing in 1970 than we had in

And even if we double the rate to 2 million units a year, and rehabilitate 400,000 additional units a year, he says that by 1970 an estimated 5 million American families will still be living in houses which were considered slums or substandard in 1950.

Yet we argue here over the meager 140,000 units of public housing which the President has recommended be started in the next 4 years. The die-hard opposition of the Republican leadership in the House Banking Committee shows up in this conference bill, for it allows only 35,000 units altogether, as a last

and final gasp for public housing, and then it is dead.

This is the third time we have argued out the public housing issue in the House in this session. First, it was on the appropriation rider, then on the omnibus housing bill, as it first went through the House, and now on the conference report on this bill. Each previous time, public housing has lost. The record is pretty clear that a majority of the majority party here is determined to kill public housing. It has in this conference bill one last chance in this Congress to hit the "sawdust trail," repent, and back up its own President in this matter. What will the answer be?

Will the House take the initiative now and recommend this bill with instructions to reinsert the Eisenhower public housing program? Or, will we wait for the Senate to take that action?

Are we going to jockey this thing around so much over the puny public housing program the President recommended that we jeopardize passage of the other features of the housing law and let all the FHA and VA housing programs expire at the end of this month?

A housing bill which does not include reasonable provisions for public housing is an incomplete housing bill. An incomplete housing bill may very well die in the adjournment rush. If that happens, the enemies of public housing will have won a hollow victory, for they will have destroyed the very foundation for the whole private enterprise housing industry in the United States.

It seems to me a pretty serious risk to take for people who profess to be concerned about private enterprise.

Mr. GRANAHAN. Mr. Speaker, I will vote to recommit the housing bill to restore the Senate provision dealing with public housing. This would provide the 35,000 units a year for 4 years which the President recommended. That is the very least Congress could provide and still pretend it was continuing public housing.

Talk and argument will not affect the outcome at this point. It is simply a question of whether President Eisenhower has lined up, or can line up, enough Republicans in the House to join with the Democrats in recomitting this bill.

Both in the 80th Congress and in this one, Republican majorities in the House have killed and buried public housing. If this bill passes in its present form, it will no longer be possible for those Republicans who support public housing to claim that their party as a party or any substantial part of it in the Congress believes in decent housing for low-income people.

Permitting only 35,000 units to be built and limiting those units only to families displaced by redevelopment, is not a public housing program but a device to end public housing altogether.

This is an issue the Democratic candidates in every urban area of the country—and in many rural areas too—will find made to order in November for a Democratic victory. It is the 80th Congress housing performance all over again.

Mr. BARRETT. Mr. Speaker, the reason I voted to recommit the Housing Act of 1954-H. R. 7839-is because it did not contain an adequate publichousing program. The President requested authorization for construction of 140,000 public housing units over a 4-year period. The measure reported to us today by the Senate-House conferees authorized only 35,000 units of public housing. I think H. R. 7839 should have been sent back to the conferees with instructions to amend section 101 to read as passed by the Senate and recommended by the President, that is, to authorize 140,000 public housing units so that the blighted areas of our large cities such as Philadelphia can be wiped out and decent homes established for our low income families.

Many sections of H. R. 7839 are advantageous to persons with much more comfortable standards of living. These inequities should be balanced by giving the poor and needy housing commensurate with the economic development of our country.

However, in view of the failure to recommit H. R. 7839 by a vote of 156 to 234, I have reluctantly voted in favor of passage of the Housing Act of 1954 so as not to deprive the larger cities of the Nation of the meager allocation of the public housing units which they will be authorized out of the 35,000 provided in this measure. I feel confident that if the persons who opposed the 140,000 units will, in the future, take a keener interest in the slum areas of the Nation they will regret their present opposition to public housing. I feel equally confident that the public will announce its displeasure with the Housing Act at the right time in November.

Mr. BYRNE of Pennsylvania. Mr. Speaker, the conference report on the Housing Act of 1954, which is before us today, falls short of the provisions recommended and passed by the Senate before it went into conference. At that time the Senate had approved a bill providing for 35,000 public housing units per year for the next 4 years. The conferees have presented us with a measure which provides for only 35,000 public housing units for the next fiscal year. We are today asked to vote for passage of this legislation.

This act first passed the House 3 months ago with no provision for the construction of public housing units after this year. This action was taken in spite of the fact that the Committee on Banking and Currency had recommended that 20,000 units be built in the coming year, and in spite of the fact that President Eisenhower, following the pattern set by his Democratic predecessor, had asked for the approval of 35,000 units per year for the next 4 years. The Senate approved a measure which included this latter provision. The bill went to conference with no disagreement on this very important feature of the bill.

It is vitally necessary to the stable economy of the Nation that the low-rent public-housing program be continued. Healthy citizens need healthy atmospheres. Since 1923 our population has increased by almost 50 million.

Obviously housing requirements have increased proportionately. But housing construction even at this time does not appear to make adequate provision for those desperately in need of housing. Furthermore, new private housing costs are extremely prohibitive to a great many people, and particularly to the people of my district. In Philadelphia alone, an average price for a new home privately constructed is in the neighborhood of \$11,500. Rental costs generally start at about \$80 a month in a privately owned apartment development. While these figures may seem to be reasonable to many of us, they are exorbitant to low-income families who are necessarily forced to live in old, substandard housing units in which conditions are often deplorable. Many of my constituents live in crowded dwellings. some of which have none of the sanitary facilities which you and I take for granted. There are no yards or play areas surrounding such places, and thus our youngsters are forced to amuse themselves along the streets and alleys of the city. This is a major cause of the high crime rate and the high incidence of juvenile delinquency. Surely none would deny that such an atmosphere is not conducive to a physically and emotionally stable family life.

Low-rent public-housing and the slum-clearance program go hand in hand to contribute to a better America. Good housing makes good citizens. I am proud to be able to vote for it and hope to see it a reality in the not-too-distant future.

Mr. ELLIOTT. Mr. Speaker, I shall vote to recommit the conference report on housing, with instructions to the conferees that the bill be brought back with President Eisenhower's program for at least 35,000 units of public housing written into the bill.

The bill before us speaks of public housing, but actually there is no public housing in the bill.

The public housing in the bill is housing in name only. It is so surrounded with restrictions and limitations that it amounts to no housing.

Under the Housing Act of 1949, 22 housing projects were constructed in the Seventh Congressional District of Alabama. These 22 projects are located in the following 18 towns: Bear Creek, Boston, Carbon Hill, Cordova, Cullman, Guin, Hackleburg, Haleyville, Hamilton, Jasper, Millport, Oneonta, Phil Campbell, Red Bay, Reform, Russellville, Vernon, and Winfield.

Seven hundred and thirty-eight units of housing have been constructed in these towns. They cost about \$7 million.

Program reservations are pending for the building of 44 units in Aliceville, Ala.; 24 units in Berry, Ala.; 4 units in Winfield, Ala.; 12 units in Hanceville, Ala.; 4 units in Oneonta, Ala.; 16 units in Vernon, Ala.; and 8 units in Haleyville, Ala.

All activities on these programs were suspended during the fiscal year just ended, because of the restrictions which this Congress wrote into the Independent Offices Appropriation Act for the 1954 fiscal year.

Now, with the restrictions written into the bill before us, there will be no chance

Reams Rhodes, Pa

Rodino

Rooney

Saylor

Shelley

Spence

Springer

Staggers Steed

Sullivan

Taylor Thornberry

Wainwright

Wigglesworth

Williams, N. J.

Tollefson Trimble

Walter

Wampler

Widnall

Withrow Wolverton

Zablocki

Wier

Yates

Yorty

Knox

Krueger Laird

Landrum

Lanham

LeCompte

Latham

Scott

Roosevelt Sadlak

St. George

Seely-Brown

Robsion, Ky.

Rogers, Colo.

Rogers, Mass

to build these projects in the 1955 fiscal year.

Also, Dora, Ala., has applied for 60 units; Oakman for 60; Sulligent for 60; and Cullman for 70 additional units. Under the restrictions written into the conference report before us none of these

can be approved or built.

Mr. Speaker, all across this country local communities have made their applications for public housing. The development program leading to construction has gone so far, in many cases, that actual site for construction has been approved. If the majority party is bent on killing public housing, it should at least allow construction of all projects that have gone this far.

I think this program should go forward. The need for public housing is just about as great in America today as it ever was. We have barely scratched the surface in most of the country.

I am also disappointed that there is nothing in the bill before us carrying on the direct-loan program for veterans' housing. I understand, however, that it will come to us later in a separate bill. This Congress should not adjourn until it has provided more money for this program.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the conference

report.

The previous question was ordered. The SPEAKER. The question is on

the conference report.

Mr. SPENCE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. SPENCE. I am.

The SPEAKER. The gentleman qual-The Clerk will report the motion. The Clerk read as follows:

Mr. Spence moves to recommit the conference report on the bill H. R. 7839 to the committee of conference with instructions to the managers on the part of the House to include in such report, in lieu of section 401 (1) thereof, a provision carrying out the 4-year program for 140,000 new public housing units as set forth in the President's housing message submitted to the Congress on January 25, 1954.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. SPENCE. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were-yeas 156, nays 234, not voting 44, as follows:

[Roll No. 107]

YEAS-156 Addonizio Bray Brooks, Tex. Cretella Crosser Curtis, Mass. Albert Aspinall Auchineloss Burdick Dague Dawson, Ill. Byrne, Pa. Deane Bailey Canfield Baker Delaney Cannon Dollinger Barrett Donohue Donovan Dorn, N. Y. Carnahan Blatnik Carrigg Boggs Boland Celler Doyle Chelf Eberharter Bolling Chudoff Condon Corbett Coudert Edmondson Elliott Engle Bowler

Feighan Kirwan Klein Kluczynski Fino Fogarty Lantaff Forand Frelinghuysen Lesinski McCarthy Friedel McCormack Fulton Garmat Machrowicz Goodwin Mack. Ill. Madden Granahan Magnuson Marshall Green Hagen, Minn. Merrow Halleck Metcalf Miller, Kans. Hand Harden Mollohan Morano Hays, Ark. Hays, Ohio Heselton Morgan Moss Moulder Multer Holifield Holmes Natcher Holtzman O'Brien, Ill. Howell O'Brien, Mich. Javits O'Brien, N. Y. Johnson, Wis. Jones, Ala. O'Hara, Ill. O'Konski O'Neill Karsten, Mo. Patterson Kean Kearney Pfost Polk Kee Price Kelley, Pa. Rabaut Kelly, N. Y. Keogh King, Calif. Radwan Rains Ravburn

NAYS-234

Abbitt Dies Abernethy Adair Dolliver Dondero Alexander Dorn, S. C. Dowdy Allen, Calif. Durham Andersen, Ellsworth H. Carl Evins Andresen Fenton August H. Fernandez Andrews Ford Forrester Arends Ashmore Fountain Frazier Gamble Beamer Gary Gathings Becker Bennett, Fla Gavin Bennett, Mich. Gentry Bentley Bentsen Golden Graham Gregory

Bates

Battle

Berry

Betts

Cooley

Cooper

Cotton

Crumpacker

Cunningham Curtis, Mo.

Davis, Ga. Davis, Tenn. Davis, Wis. Dawson, Utah

Dempsey Derounian

Coon

Gross Gubser Bolton, Oliver P. Gwinn Hagen, Calif. Bonin Bonner Hale Haley Bosch Bow Hardy Bramblett Harrison, Nebr. Harrison, Va. Brown, Ga. Brown, Ohio Harvey Hébert Brownson Broyhill Herlong Hiestand Budge Burleson Hill Hillelson Busbey Bush Hillings Hinshaw Byrnes, Wis. Campbell Hoeven Hoffman, Ill. Cederberg Hoffman, Mich. Chatham Holt Chenoweth Hope Church Horan Hosmer Clardy Clevenger Cole, Mo. Hruska Hunter Cole, N. Y. Hyde

Ikard

James

Jackson

Jarman

Jenkins

Jensen

Jonas, N. C. Jones, Mo. Jones, N. C.

Keating

Kilburn

Kilday King, Pa.

Lipscomb McConnell McCulloch McDonough McIntire McVey Mack, Wash. Mahon Martin, Iowa Mason Matthews Meader Merrill Miller, Md. Miller, Nebr. Miller, N. Y. Mills Mumma Murray Nelson Nicholson Norblad Norrell Oakman O'Hara, Minn. Ostertag Passman Pelly Phillips Pilcher Pillion Poff Preston Priest Prouty Ray Reece, Tenn. Reed, Ill. Reed, N. Y. Rees, Kans. Rhodes, Ariz. Richards Riehlman Riley Rivers Johnson, Calif. Jonas, Ill. Roberts Robeson, Va. Rogers, Fla. Rogers, Tex. Schenck Scherer Scrivner Scudder

Sheehan Sheppard Shuford Simpson, Ill. Small Smith, Kans. Smith, Miss. Smith, Va. Smith, Wis. Stauffer Stringfellow Taber Talle Teague

Thomas Thompson, Mich. Tuck Utt Van Pelt Van Zandt Velde Vinson Vorys Vursell Warburton Watts Westland

Wharton Whitten Wickersham Williams, Miss. Williams, N. Y. Wilson, Calif. Wilson, Ind. Wilson, Tex. Winstead Wolcott Young Younger

NOT VOTING-44

Angell Barden Harrison, Wyo. Philbin Heller Powell Regan Secrest Belcher Hess Boykin Kersten, Wis. Brooks, La. Long Lucas Short Buckley Sieminski Camp Lyle Sikes Chiperfield Curtis, Nebr. McGregor Simpson, Pa. Sutton Mailliard Miller, Calif. Thompson, La. Thompson, Tex. Dingell Dodd Morrison Fallon Osmers Weichel Patman Wheeler Fisher Grant Patten Willis

So the motion to recommit was reiected.

The Clerk announced the following pairs:

On this vote:

Mr. Morrison for, with Mr. Wheeler against. Mr. Buckley for, with Mr. Camp against. Mr. Heller for, with Mr. Barden against.

Mr. Dodd for, with Mr. Regan against. Mr. Perkins for, with Mr. Lyle against.

Mr. Dingell for, with Mr. Fisher against.
Mr. Powell for, with Mr. McGregor against.
Mr. Sieminski for, with Mr. Sikes against.
Mr. Angell for, with Mr. Osmers against.

Mr. Kersten of Wisconsin for, with Mr.

Hess against. Mr. Philbin for, with Mr. Harrison of Wyoming against.

Mr. Patman for, with Mr. Lucas against. Mr. Miller of California for, with Mr. Thompson of Louisiana against.

Mr. Patten for, with Mr. Willis against. Mr. Secrest for, with Mr. Boykin against.

Until further notice:

Mr. Simpson of Pennsylvania with Mr. Fallon.

Mr. Short with Mr. Grant.

Mr. Chiperfield with Mr. Harris.

Mr. Belcher with Mr. Brooks of Louisiana. Mr. Curtis of Nebraska with Mr. Long.

Mr. Mailliard with Mr. Thompson of Texas.

Mr. Weichel with Mr. Sutton.

Mrs. ST. GEORGE changed her vote from "nay" to "yea."

Mr. BURDICK changed his vote from "nay" to "yea."

Mr. HAGEN of Minnesota changed his vote from "nay" to "yea."

Mr. MILLER of New York changed his vote from "yea" to "nay."

Mr. ROGERS of Texas changed his vote from "yea" to "nay."

The result of the vote was announced

as above recorded. The SPEAKER. The question is on

the conference report.

Mr. GAMBLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were-yeas 358, nays 30, not voting 46, as follows:

[Roll No. 108]

YEAS-358

Abbitt Albert Allen, Ill. Adair Addonizio Alexander Andersen H. Carl Allen, Calif.

Andresen, August H. Andrews Arends Ashmore Aspinall Auchincloss Avres Bailey Barrett Bates Battle Beamer Becker Beicher. Bender Bennett, Fla Bentley Bentsen Berry Betts Blatnik Boggs Boland Bolton. Frances P. Bolton, Oliver P. Bonin Bonner Bosch Bow Bowler Bramblett Bray Brooks, Tex. Brown, Ga. Brown, Ohio Brownson Broyhill Budge Burdick Burleson Byrd Byrne, Pa. Byrnes, Wis. Campbell Canfield Carlyle Carnahan Carrigg Cederberg Chatham Chelf Chenoweth Chudoff Clardy Cole, Mo. Cole, N. Y. Condon Cooley Coon Cooper Cotton Coudert Cretella Crosser Crumpacker Curtis, Mo. Dague
Davis, Ga.
Davis, Tenn.
Davis, Wis.
Dawson, Ill.
Dawson, Utah Deane Dempsey Derounian Devereux D'Ewart Dolliver Dondero Donohue Donovan Dorn, N. Y Dorn, S. C. Dowdy Doyle Durham Edmondson Elliott Ellsworth Engle Evins Feighan Fenton Fernandez

McVey Fino Fogarty Forand Machrowicz Mack, Ill. Mack, Wash. Ford Forrester Madden Fountain Mahon Frazier Frelinghuysen Marshall Martin, Iowa Friedel Matthews Meader Merrill Gamble Garmatz Merrow Miller, Kans. Gary Gathings Miller, Nebr. Miller, N. Y. Gavin Gentry Mills Mollohan George Golden Morano Goodwin Morgan Moss Moulder Gordon Graham Granahan Mumma Green Murray Gregory Natcher Gross Neal Gubser Hagen, Calif. Nelson Nicholson Hagen, Minn. Hale Norblad Norrell Halley Halleck Oakman O'Brien, Ill. O'Brien, Mich. Hand O'Brien, Mich. O'Brien, N. Y. O'Hara, Ill. O'Hara, Minn. O'Konski O'Neill Harden Hardy Harrison, Nebr. Harrison, Va. Hart Harvey Ostertag Hays, Ark. Hays, Ohio Hébert Passman Patterson Pelly Heselton Hiestand Pfost Phillips Hill Pilcher Hillelson Pillion Hillings Hinshaw Poage Poff Hoeven Polk Hoffman, Ill Preston Hoffman, Mich. Price Priest Holifield Holmes Prouty Holt Rabaut Holtzman Radwan Hope Horan Rains Rav Rayburn Hosmer Howell Reams Reece, Tenn. Hruska Hunter Reed, Ill. Rees, Kans. Hyde Ikard Rhodes, Ariz Rhodes, Pa. Jackson James Richards Riehlman Jenkins Riley Jensen Johnson, Calif. Rivers Roberts Robeson, Va. Robsion, Ky. Johnson, Wis. Jonas, Ill. Jonas, III. Jonas, N. C. Jones, Ala. Jones, Mo. Jones, N. C. Rodino Rogers, Colo. Rogers, Fla. Rogers, Mass. Rogers, Tex. Sadlak Judd Karsten, Mo Kean St. George Kearney Schenck Kearns Scherer Keating Kilburn Scrivner Kilday King, Calif. King, Pa. Scudder Seely-Brown Selden Kirwan Shafer Kiuczynski Sheehan Knox Shelley Krueger Laird Sheppard Shuford Simpson, Ill. Small Landrum Lane Smith, Kans. Smith, Miss. Smith, Va. Smith, Wis. Lanham Lantaff Latham LeCompte Lesinski Lipscomb Lovre Springer Staggers Stauffer McCarthy Steed McConnell Stringfellow Sullivan McCulloch McDonough Taber McIntire Talle Taylor

Bush Camp Dodd Fallon Fisher Grant Gwinn

Williams, N. J. Wainwright Thompson. Williams N. Y. Mich. Thornberry Walter Wampler Wilson, Calif. Wilson, Ind. Wilson, Tex. Withrow Tollefson Warburton Trimble Watts Westland Tuck Wolcott Wharton Wolverton Van Pelt Whitten Yates Van Zandt Wickersham Widnall Velde Young Wier Younger Zablocki Vinson Vorys Wigglesworth NAYS-30 Abernethy Fine Miller, Md. Bishop Javits Multer Kelley, Pa. Bolling Patten Kelly, N. Y. Keogh Reed, N. Y. Buchanan Busbey Rooney Celler Klein Roosevelt Colmer McCormack Spence Curtis, Mass. Magnuson Teague Mason Williams, Miss. Dollinger Eberharter Metcalf NOT VOTING--46 Harris Philbin Angell Harrison, Wyo. Barden Powell

Winstead Boykin Brooks, La. Heller Regan Herlong Secrest Buckley Hess Short Kersten, Wis. Sieminski Long Silves Chiperfield Simpson, Pa. Lucas Clevenger Curtis, Nebr. Dingell Lyle Sutton McGregor Thompson, La. Mailliard Thompson, Tex. Miller, Calif. Weichel Wheeler Morrison Osmers Willis Patman Perkins

So the conference report was agreed to. The Clerk announced the following pairs:

Mr. Simpson of Pennsylvania with Mr. Morrison.

Mr. Short with Mr. Perkins. Mr. Hess with Mr. Herlong. Mr. McGregor with Mr. Boykin.

Mr. Osmers with Mr. Camp. Mr. Gwinn with Mr. Fisher.

Mr. Harrison of Wyoming with Mr. Thompson of Louisiana.

Mr. Weichel with Mr. Willis.

Mr. Bush with Mr. Thompson of Texas.

Mr. Angell with Mr. Lucas.

Mr. Kersten of Wisconsin with Mr. Patman.

Mr. Curtis of Nebraska with Mr. Lyle.

Mr. Chiperfield with Mr. Barden. Mr. Clevenger with Mr. Regan.

Mr. Mailliard with Mr. Miller of California.

Mr. ROONEY changed his vote from "yea" to "nay."

Mr. HOLTZMAN and Mr. CANFIELD changed their votes from "nay" to "yea.'

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATION BILL, 1955

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9936. with Mr. ALLEN of Illinois in the chair.

The Clerk read the title of the bill. The CHAIRMAN. When the Committee rose on yesterday the Clerk had read down to and including line 16 on page 5 of the bill.

Mr. TALLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Talle: On page 5, after line 17, insert the following new headings and new paragraphs:

"BUREAU OF THE CENSUS

"CENSUSES OF BUSINESS, MANUFACTURES AND MINERAL INDUSTRIES

"For expenses necessary for taking, compiling, and publishing the censuses of business, manufactures, and mineral industries, as authorized by law, \$8,430,000."

Mr. TALLE. Mr. Chairman, my purpose in offering this amendment is to restore to the bill the amount asked by the President for the censuses of business, manufactures, and mineral industries.

I regret that the Appropriations Committee has not seen fit to recommend the appropriation of the \$8,430,000 which the President requested to conduct censuses of business, manufactures, and mineral industries for 1954. basic records of the business activities of our country are required for the efficient management of American industry and Government. This view was strongly supported by evidence provided at the recent hearings of the Subcommittee on Economic Statistics of the Joint Committee on the Economic Report. This subcommittee, which consists of Senator Carlson, Congressman Bolling, and myself as chairman, held hearings on July 12 and July 13. The witnesses heard included representatives of many important busines organizations and the Government agencies particularly concerned with business conditions

The witnesses pointed out the important role played by statistics in the management of the affairs of the economy and of their particular businesses. They described the crucial role that is being played by the Census benchmarks. They pointed out that the whole structure of monthly statistics is deteriorating in quality because the basic benchmark records in the fields of manufactures, mineral industries, wholesale trade, retail trade, and services were al-ready more than 5 years old. They indicated that recent gaps in the statistical records are impairing the ability of the Government and of business concerns to make prompt and sound decisions regarding economic policies. Major decisions are being made almost daily which involve very large sums of money, amounts which make funds actually required to provide the statistics needed for better decisions seem trivial.

Witness after witness repeated that the most urgent requirement in the Federal economic statistics program is to provide basic benchmark records, urging that Congress appropriate funds for censuses of business, manufactures, and mineral industries covering the year mineral industries covering the year 1954. Persons testifying on subjects only indirectly related to these censuses went to great length to call to the attention of our committee the need for the censuses. The report of the Intensive Review Committee of the Secretary of

Commerce was frequently cited as further evidence of the very widespread demand for these censuses. The Bureau of the Budget, which submitted the request for these funds, the Council of Economic Advisers, which strongly supported the required legislation only recently passed, and other agencies of the Federal Government, including the Department of Commerce and the Department of Labor, emphasized the critical need for the census benchmarks as a basis for their own statistical requirements.

Authorizing legislation already enacted provides for censuses of business, manufactures, and mineral industries covering 1954. The next censuses provided for by this legislation would cover 1958. If funds are not appropriated for the 1954 censuses, a 10-year gap in the basic statistical record of the United States would be created. The latest of these censuses covered 1948.

Mr. Chairman, the hearings of the Subcommittee on Economic Statistics held last week attracted widespread favorable comments. The one point on which all of the witnesses were in agreement was that the censuses should be taken immediately.

Mr. Chairman, may I summarize briefly the steps leading up to my amendment. Members will recall the passage of the Reorganization Act of 1946, which was put into effect during the 80th Congress in 1947. The late Senator Taft in 1948 pointed out the need for improved statistics. On February 27, 1954, the Joint Committee on the Economic Report issued its report containing a recommendation that two subcommittees be named to carry on special studies. One of these was the Subcommittee on Statistics, and I was named chairman.

My colleagues, Senator Frank Carlson and Representative Richard Bolling, and I proceeded to do a job. We had worked and planned for months when on July 12 and 13, Monday and Tuesday of last week, we had before us a considerable array of eminent witnesses—from the Bureau of the Budget; the Council of Economic Advisors; the Census Bureau; Agriculture; the Office of Statistical Standards; the Bureau of Labor Statistics; the Federal Reserve Board; and the Department of Commerce.

In addition we heard a panel of 12 witnesses who came from various parts of our country to speak for private business, agriculture, labor, manufacturing and processing, research—users of statistics, capable persons of great scholarship and special knowledge in this field. Our purpose was to see to it that in an important matter of this kind we might have the combined cooperative effort of the executive department, the legislative department, and private business. All of those witnesses said, "For the first time Congress is doing something to help us in our difficult field." Mr. Chairman, there is no substitute for knowledge. We need more knowledge, accurate knowledge; and up-to-date knowledge. Therefore they were exceedingly enthusiastic. There was not an empty chair in that room during those 2 days, in spite of the fact that no one will contend there is any romance in statistics.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Missouri.

Mr. BOLLING. I would like to compliment the gentleman for offering this amendment and associate myself with him, strongly feeling that this is vital not only to the executive branch but to the Congress. If we do not have the knowledge which this census and other censuses will give us, we cannot possibly make sound decisions. I congratulate the gentleman for offering the amendment.

Mr. TALLE. I thank the gentleman. The gentleman was present throughout our 2 days of hearings and is a valuable member of the subcommittee.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman

from New York. Mr. ROONEY. I wish to commend the gentleman from Iowa upon his statement here today, and to assure him, as I said I would yesterday, of my support of the pending amendment to restore the funds for this necessary census of business, manufactures, and mineral industries. However, I am never greatly impressed by any intensive review committee and some of the other authorities that the gentleman mentions. Also, may I say that I am not so sure that the full amount of \$8 million and more should be allowed for this purpose, but I am in sympathy with the gentleman's position in proposing that this census, worthwhile and necessary, should be carried

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from New York. Mr. JAVITS. I would like to support

Mr. JAVITS. I would like to support the gentleman's position and say that I shall support the amendment, and to point out to Members who are looking for industries in their communities, that is, communities which are underdeveloped, how vitally important this is to them to have these new censuses of this character, in showing their ability to meet their needs.

Mr. TALLE. I thank the gentleman. The time is here for taking thought, for neither government nor private business can make intelligent decisions, without having accurate, up-to-date statistical data. I urge the adoption of my amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will only briefly take this opportunity to confirm everything the gentleman from Iowa [Mr. Talle] has said. It will be recalled that when we adopted the report of the Joint Committee on the Economic Report we were given a job to do by the Congress. That is in statistical research. In keeping with that report, it was my pleasure, as chairman of the Joint Committee on the Economic Report, to name the gentleman from Iowa [Mr. Talle], as chairman of that subcommittee. We did it

with the realization that it was in good hands; with the realization that without this statistical information which would be made possible by the resumption of this effort and the restoration of this amount, we could not hope to create a climate in which we could have an ever-expanding economy that we always strive for.

I am in hearty support of the gentleman's amendment, and I hope it will be adopted.

Mr. TABER. Mr. Chairman, I wonder if we could not get an agreement as to time on this amendment and all amendments thereto.

I ask unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes. The gentleman from Ohio [Mr. CLEVENGER] wants 5 minutes and I want 5.

Mr. ROONEY. Mr. Chairman, reserving the right to object, I would suggest to the gentleman that he make it 10 minutes

Mr. TABER. All right. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from Ohio [Mr. CLEVENGER] is recognized.

Mr. CLEVENGER. Mr. Chairman, I might say that this matter of censuses has received considerable attention over the years that I have been on this committee, and one of the things that has exercised us most is the long delay in making the figures available to the industries which find uses for them. It is often-and more often than not-2 years and 3 years after the taking of the census before the figures are available to the trade. We have tried every way we can think of to energize and wake up the Bureau of the Census, but it seems to have fallen into a moribund state where time seems to be of no interest to them as to when these figures are avail-

We have some of the most grotesque testimonies. I have one here, a letter, addressed to the chairman of the full committee from a manufacturer of ladies' brassieres. Now, you know he says something about false economy. Well, as a long-time manager of department stores I always thought there was something false about the brassiere business. He claims the necessity for these figures in order to divide up his territory and plan for the marketing of brassieres. I thought you could maybe take the population census and multiply it by two and could perhaps tell.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield.

Mr. ROONEY. I do not wish to discuss the matter the gentleman is now referring to, for I feel he knows much more about it than I, but I do want to point out that a Member just asked me where in this bill—he had a copy of it in his hand—he could find this matter of the Bureau of the Census, and I had to

inform him that he just will not find it in this bill.

Mr. CLEVENGER. That is right, Mr. Chairman. Last year we came down here and I got along with the paramount job we had to do, cutting out nonessentials and balancing the budget. We made great progress last year, but this year we seem to have no luck in the Bureau of the Budget in backing up the efforts of this committee.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. CLEVENGER. I cannot yield again; I have only 5 minutes.

Mr. ROONEY. I would agree to extend the gentleman's time if it were

within my power.

Mr. CLEVENGER. I yield briefly.

Mr. ROONEY. I want to say that the gentleman from Ohio [Mr. CLEVENGER] is a very, very sincere Member of Congress with whom I have served on this committee for 10 years. He always says what he means. He has cut the items which are within his jurisdiction in this bill by 82 percent, and that indicates his consistent approach to appropriation requests over the years. I have disagreed with him with regard to many items as we have gone along over the years, but I do want to point out that he has been as consistent as he ever was in denying 82 percent of the funds President Eisenhower has requested in the instant bill.

Mr. CLEVENGER. I want to remind the gentleman from New York that the change of terminology from deficiency bill to supplemental came about because the word deficiency got rather unpopular. Then they began to call them supplementals. I remember well what the gentleman from Cotuit, Mass., had to say one day when he took the well of the House—Charlie Gifford. He said: "Little supplement, don't you cry; you

will be a deficit by and by." I just want to tell you that budgets are not balanced by any other method than deciding what we can live without. What would you do in your own case and in your own household in passing on this stuff when you realize that every dollar that you now spend is deficit spending and must be laid on the shoulders of generations yet unborn? We have 7,000 little new Americans every morning. You have \$278 billion dollars resting on these defenseless little children. I want to see the time come soon when a man will be glorified and not subsidized, when a baby can be born without being swathed in a wet blanket of debt, deficit, and despair.

Mr. Chairman, may I say further that the recommendations of the board appointed by the President to study the census has recommended \$228 million for the next 10 years.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from New York.

Mr. ROONEY. The distinguished gentleman from Ohio is always sincere and consistent. May I remind him of the fact that the very people who are now lobbying for this particular item are the same people who gave support to the gentleman's party who then ad-

vocated a balanced budget and the denial of many, many such items as this. Now they find they cannot do without many of these millions.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. Taber]

Mr. TABER. Mr. Chairman, we ought to be fair in this situation. I received a visit from a very distinguished economist. I have heard his name mentioned before this morning on the floor of the House. I asked him what he thought about this proposed business census and he told me, frankly, that it might have some historic value but as far as being of use to business—no.

Instead of taking 6 months to get this material together and having it available for business, it takes 3 years. Are we going to be so simple that we are about to start on a business census that will take 3 years to get it out and get it in shape for use of business and the trade? Those things ought to be taken care of insofar as they can be, but such things that have just historic value only have no place in the Department of Commerce appropriation bill and I hope the pending amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Talle].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 28, noes 81.

So the amendment was rejected.

The Clerk read as follows:

For an additional amount for "Land acquisition, additional Washington Airport," for payment of deficiency judgments rendered by United States District Courts, \$16,-297, together with such amounts as may be necessary to pay interest as specified in such judgments.

Mr. PRESTON. Mr. Chairman, I offer an amendment

The Clerk read as follows:

Amendment offered by Mr. PRESTON: On page 6, line 8, after the period, insert the following: "For carrying out the provisions of the Federal Airport Act of May 13, 1946, as amended (except sec. 5 (a)), to remain available until June 30, 1958, \$22 million, of which (1) \$20 million shall be for projects in the States in accordance with section 6 of said act, (2) \$250,000 for projects in Puerto Rico, (3) \$50,000 for projects in the Virgin Islands, (4) \$225,000 for projects in the Territory of Hawaii, (5) \$225,000 for projects in the Territory of Alaska, and (6) \$1,250,-000 shall be available as one fund for necessary planning, research, and administrative expenses (including not to exceed \$125,000 for transfer to the appropriation 'Salaries and expenses, Civil Aeronautics Administration,' for necessary administrative expenses, including the maintenance and operation of aircraft): Provided, That the appropriation granted under this head for fiscal year 1953 is hereby merged with this appropriation and the contract authorization heretofore granted for the foregoing purposes hereafter be accounted for under this head: Provided further, That the amount made available herein for administrative expenses shall be in addition to the amount made available for such purposes in the Depart-ment of Commerce Appropriation Act, 1955."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. The amendment contains legislation on an appropriation bill and it provides for things not authorized by law and it changes existing law.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard?

Mr. PRESTON. Mr. Chairman, I cannot be heard on the point of order or respond to it until the gentleman from New York is more specific in his point of order.

Mr. TABER. I thought I had been quite specific, in that it is legislation on an appropriation bill and that it changes existing law and provides for things not authorized by law. It provides specifically for the merger of an appropriation made in 1953. It provides for many other things, including language "to remain available until June 30, 1958." There are several other items that I think are very questionable.

Mr. PRESTON. Mr. Chairman, the language contained in this amendment is the language taken from the committee print. At no point in the amendment does it actually legislate. Particularly, the reference made by the gentleman from New York refers specifically to the control of the funds in the amendment. It is in complete compliance with the Federal Airport Act of 1946 and is language that has been carried in appropriation bills heretofore. It is never, in my judgment, legislation on an appropriation bill to fix the time for which the funds shall remain available. Now, the comments made by the gentleman from New York in support of his point of order are so general in nature that it is difficult to respond specifically except to the broad specification that it is legislation on an appropriation bill. I insist there is no legislation in the amendment, but the language is either of a restrictive or limiting form or of a descriptive nature which provides how the funds shall be used and for how long.

The CHAIRMAN. Does the gentleman from New York [Mr. TABER] desire

to be heard further?

Mr. TABER. Mr. Chairman, simply to say that there is no question but that there is a change in the law relating to the 1953 appropriation. When the gentleman says that the item shall carry through to June 30, 1958, that is not authorized by law and is legislation.

The CHAIRMAN. Does the gentleman from Georgia [Mr. Preston] desire to be heard further?

Mr. PRESTON. Mr. Chairman, I fail to understand how language fixing the time for which an appropriation shall be made available is legislation. The money was authorized in 1946—\$520 million. We are now making the funds available under that authorization and in so making them available we simply say that this money shall be available until that particular date.

I take the position that it is clearly not legislation, because the original act, passed in 1946, authorized the funds and placed no limitation on the length of time that the funds could be used. It is a very common practice in appropriation bills to provide that "funds appropriated herein shall be made available until expended." So that if an indefinite time can be established, such as the lan-

guage "to remain available until expended," then clearly a definite time would not be in a different category or in a different status.

Mr. EBERHARTER. Mr. Chairman, may I be heard on the point of order? The CHAIRMAN. Briefly; yes.

Mr. EBERHARTER. May we not require the gentleman from New York [Mr. TABER] to read the language in the amendment which is not authorized by

The CHAIRMAN. What was the

question?

Mr. EBERHARTER. To require the gentleman from New York [Mr. TABER] to read the language in the amendment of the gentleman from Georgia [Mr. PRESTON] which is not the authority for the appropriation?

The CHAIRMAN. The Chair is ready

to rule.

Mr. PRESTON. Mr. Chairman, I ask unanimous consent to withdraw the amendment I have offered and to offer another amendment.
The CHAIRMAN. Is there objection

to the request of the gentleman from

Georgia?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. PRESTON: On page 6, line 8, add:

"CIVIL AERONAUTICS ADMINISTRATION-FEDERAL-AID AIRPORT PROGRAM, FEDERAL AIRPORT ACT

"For carrying out the provisions of the Federal Airport Act of May 13, 1946, as amended (except section 5 (a)), \$22, million, of which (1) \$20 million shall be for projects in the States in accordance with section 6 of said act, (2) \$250,000 for projects in Puerto Rico, (3) \$50,000 for projects in the Virgin Islands, (4) \$225,000 for projects in the Territory of Hawaii, (5) \$225,000 for projects in the Ter-ritory of Alaska, and (6) \$1,250,000 shall be available as one fund for necessary planning, research, and administrative expenses (including not to exceed \$125,000 'Civil Aeronautics Administration,' for necessary administrative expenses, including the maintenance and operation of aircraft): Provided That the amount made available herein for administrative expenses shall be in addition to the amount made available for such purposes in the Department of Commerce Appropriation Act, 1955."

Mr. PRESTON. Mr. Chairman, it is hard to get around the gentleman from New York [Mr. TABER]. He has been here a long time. But I want to say one thing about him, he is one of the most estimable gentlemen in this House, and I am very, very fond of him.

The gentleman from New York realizes, of course, that this amendment has a great deal of popular appeal. To have him make a point of order against the amendment was not entirely unexpected. It has popular appeal because the amendment simply keeps faith with what the Congress has promised the people. It simply carries on what we have been doing since 1946, when the authorization act was passed making it in order to appropriate up to \$520 million on a matching 50-50 basis with the communities for airport development.

Last year when the new administration came in the Secretary of Commerce decided that in studying his Department he should take a very careful look at this program and determine whether or not it was being administered properly and whether or not the funds were being used wisely, whether it was being carried out within the spirit of the act. Accordingly, an airport panel was appointed as a part of the Transportation Council appointed by this administration to make a very careful and exhaustive study of this program. It did so. It was composed of outstanding, very Their findings were capable men. summed up as follows:

Hence the panel concludes that the Federal Government should participate with local governments in the construction and development generally on a 50-50 basis of civil airports to the extent that these airports serve the national interest.

So that is why this amendment is here today.

After this report was filed the President of the United States, through the Bureau of the Budget, sent a request to the Congress for \$22 million, a rather modest sum, as a matter of fact, when compared with the needs. The Commerce Department requested \$32 million of the Bureau of the Budget but they cut it down to \$22 million, the hard figure that the Bureau of the Budget decided could be used during this present fiscal year in order to carry on airport development.

The tragic thing about this 1-year delay in this program is that many communities have issued bonds and sold them, believing that funds would be available during the fiscal year 1954, just as they had in prior years, to match the proceeds from the sale of bonds. Those funds are now in the banks. Interest is being paid on the bonds. The funds cannot be used because the bonds were sold conditioned on the fact that the funds would be used to match Federal funds. So this request coming from the President as it does simply carries out the pledge the Congress made to the communities and to the airport authorities of the country in order that they might keep the airports of this country abreast of aviation development.

It is alarming to note that some of our airports at major cities cannot receive a 4-engined ship, and must confine the traffic to 2-engine ships. It is necessary to acquire land and clear rightsof-way in order that these planes can land in general, normal commerce.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Illinois.

Mr. BUSBEY. The gentleman men-tioned the fact that people are paying interest on bonds that have been issued. What is the total amount of bonds that have been issued and what communities have issued those bonds?

Mr. PRESTON. I will be glad to furnish a list of the communities, but the sum is \$102 million.

Mr. BUSBEY. Does the gentleman not have the list available?

Mr. PRESTON. Yes, I do. The gentleman may see it. I have it right here. Mr. BUSBEY. Is the gentleman going to put it in the RECORD?

Mr. PRESTON. If the gentleman will come down to the well of the House, I

can give it to him now so that he can look at it. I cannot ask permission to put it in the RECORD now because that permission must be obtained in the House. However, it is available for any Member to see, and I will be pleased to put it in the RECORD after the Committee rises and we go back into the House.

Mr. Chairman, this is not a giveaway program. This cannot truly be called a subsidy to any particular community. Our airports are national in nature. The airport such as the one at Atlanta, Ga., serves the entire southeastern part of the United States. The great airport at Chicago serves the Midwest, and the airports of New York City serve New England—they just do not serve the State of New York or the city of New York alone. They are national in nature.

Mr. JUDD. Mr. Chairman, will the

gentleman yield?

Mr. PRESTON. I yield.

Mr. JUDD. I want to concur in what the gentleman is saying. The airports in the Twin Cities area of Minnesota are used to protect the whole central northern border of the United States against the major threat to our country that might come from the outside, namely, from across the North Pole. It is a national air center and must have national support.

Mr. PRESTON. There is no doubt about it. It is difficult to measure the importance of our great airports in our

great cities.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. BOGGS. Is it not a fact that this program has been administered now for several years and the airports which need development now are being discriminated against, if this sum of money is not appropriated?

Mr. PRESTON. The gentleman is Many of the airports have reright. ceived funds in the past since 1947 when \$45 million were appropriated. In 1948, \$32 million were appropriated. I ask that you adopt this amendment in the interest of making our country strong economically, as it should be.

Mr. JENKINS. Mr. Chairman, I move

to strike out the last word.

Mr. Chairman, I am very glad that the distinguished gentleman from New York [Mr. TABER] raised a point of order so that we may now have clear sailing. Now, there should be no ques-tion of any issue in this case being improper from a parliamentary standpoint. It is just a simple question of are we going to do what we should do under the circumstances? Are we going to do this fairly and aboveboard or are we going to hide behind some technicality? Are we going to tell the people of these towns which have depended upon the promises of Federal officials and have gone to work and issued their bonds that we are going to do the right thing? In my section of the State of Ohio, in Scioto County, the representatives of the people came up to Washington and saw the proper authorities and got their instructions as to what to do, and then went back and voted \$400,000 in bonds to build an airport. They did their part well and faithfully. The Government

authorities said, in effect, "We will match your money." These representatives at different times came to Washington to see about the matter, but they did not receive any money. They will not get it if the Congress does not give it to them, and if we do not do it in this bill today. You can hide behind excuses and say, "Oh, I want to save a lot of money," or "We have to balance the budget." But why do you not balance the budget with some of this money that we are sending somewhere else? You cannot tell the people in the town of Portsmouth to balance the budget with their \$400,000. They have sold their bonds and the bonds are in the bank drawing interest, and the Government does not match the money that the Portsmouth people have put up. My friends, I think today we ought, if the Committee on Appropriations will not do it we ought to instruct them to say to these people from Portsmouth and other places all over the country-and there are only about \$80 million involved in this whole proposition—that we will meet our obligation. How are we going to look these people in the face? How am I going to go back again when I go home and give them these excuses? This airport for which I am making this appeal is not in my district, but it is very close to my district-close to where I was born and brought up. I know all about that section and I have lived much closer to it than the Member of this House who has the honor of representing that district.

What do they have in Scioto County that qualifies them for an airport? Someone might say that they live in the country. But, within 5 miles of this airport, there is the biggest atomic-energy plant in the United States employing nearly 15,000 men at the present time. I mean that the contractors who are building this gigantic plant are employing about 15,000 men in contruction work. There is a great big town springing up around the immense plant. These are great improvements plus the other improvements that are coming into that section. Those are additional reasons why this port is needed. The traffic that passes on the Ohio River in front of where this airport will be located is the heaviest traffic carried in a like distance in our whole country. While we live in the beautiful Ohio Valley we do not all live in the rural sections—we do not live in the brush. We live where an airport is needed. There are 750,000 people living within 60 miles of that proposed airport. I call upon this House now to help these people. They are not beggars. They have a right to be treated justly. When I go back among them I am going to tell them that I have appealed to the Congress of the United States not to do what the Committee on Appropriations wants to be done but what right and justice demands should be done. The gentleman from New York [Mr. TABER] is a grand man and so is the gentleman from Ohio [Mr. CLEVENGER]. I have voted with them many times for I have confidence in their honesty. This is not a matter of the honesty of these two fine men. It is a matter of their doing what should be done to fulfill the promises

made by the Government officials to the effect that if the people of Scioto County, Ohio would bond themselves to the extent of \$400,000 that the Government would match that amount which would then be enough to build the airport as they, the Government officials, wanted it built.

Mr. Chairman, I may appear to be a little vehement and a little loud in my expostulations, but I am so much disappointed because these people cannot get the relief to which they are entitled without some of us Congressmen who know the facts telling you about them. These people are doing right to bring their complaints to Congress. I feel it is my duty to help these people get their side of the story before the Congress. Nobody says there was not a valid understanding. In the gallery today there sit some Government officials connected with the Department of Civil Aeronautics. They know all about this problem. They have been before the Appropriations Committee and they have told their story. Mr. Chairman there is nothing else to do, but for the Government to pay up. Let us be honest and sincere, before we are too economical. We must be just. Let us pay our own debts to our own people before we are too generous to the other peoples of the world.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from South Dakota.

Mr. LOVRE. Mr. Chairman, I rise urging that the House consider the replacing of \$22 million in this bill for the Federal-aid-to-airport program. I think it is essential that these funds be included in this supplemental appropriations bill.

I was interested in turning back to the Congressional Record of March 3, 1954, when the regular State, Justice, and Commerce Department appropriation bill was up. Those opposed to the Federal-aid-to-airport program put great faith in the fact that there was no budget request for this program. Time after time, they countered arguments with, "Well, it was not in the budget." Provision was made for this program in the supplemental budget which was submitted by the administration. I wonder what justification is now being used for the removal of this program from the budget.

For the past 2 years we have been told that this program is the subject of study and that funds would be asked when the study was completed. The study has been completed and the funds have been asked for, but the committee in its wisdom has seen fit to strike these funds from the bill.

The study mentioned brought forth what is called the National Airport Program, Report of the Airport Panel of the Transportation Council of the Department of Commerce on the Growth of the United States Airport System. This is Senate Document No. 95. I recommend the reading of this report to the Members of the House who have not had an opportunity as yet to delve into it. The report states in part:

Based on its findings, the panel is convinced that civil airports are public facilities

of vital importance to the commerce and security of local communities and of the Nation as a whole. The panel is convinced also that the ability of the airplane to serve the general public varies in direct proportion to the number and functional adequacy of airports strategically located in the United States and its possessions. The studies undertaken by the panel have revealed that States, municipalities, and other local political units alone are unable to carry the capital investment burden involved in providing an adequate system of national air-ports. Therefore, it is the unanimous opinion of the panel that it is the responsibility of the Federal Government to give financial assistance to local governments in developing airports which are in the national interest.

The League of Municipalities of the State of South Dakota and the Aviation Advisory Committee of the State of South Dakota are both vitally interested in this bill, as are the United States Conference of Mayors and the American Municipal Association.

Referring again to Senate Document No. 95, it states that:

The panel's findings indicate that today, as in 1946, growth is inherent in the structure of United States civil air traffic. It thus appears to the panel that Federal aid in developing a system of civil airports to keep pace with the requirements of an ever-growing aviation industry continues to be in the national interest.

In addition to this, we have the statement of the United States Chamber of Commerce in their policy report of May 1953. In this report, the chamber says:

The national interest in the provision of an adequate, nationwide airport system justifies reasonable Federal aid for this purpose. The Federal Airport Act of 1946 is the basis for such participation.

Mr. Chairman, I hope that due deliberation will be given to this amendment and that the \$22 million will be restored.

The CHAIRMAN. For what purpose does the gentleman from Louisiana [Mr. Boggs] rise?

Mr. COUDERT. Mr. Chairman, a point of order.

I am a member of the committee. Am I not entitled to recognition?

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I rise in opposition to the amendment, and I apologize to the gentleman from Louisiana [Mr. Boggs], but the gentleman from Ohio [Mr. JENKINS], who has just addressed the House was so persuasive that I really felt the committee should answer him before the effect of his remarks became irrevocable. I feel very bady as do other members of the committee about all these communities who undertook to borrow money without taking the trouble to ascertain whether or not there were matching appropriations available. The fact of the matter is that it is not the responsibility of the Congress or of the Appropriations Committee of the House. If any community undertakes to commit itself on a loan, on the assumption that it will get matching funds where they have not taken the trouble to find out if the funds are available, that is their responsibility. The real objection to this item now offered

as an amendment to this bill is that it is at the wrong time and on the wrong bill. This is not the original bill for the fiscal year 1955. This is a supplemental The request came in on the 8th or 9th of June. Today it is the 20th of July and the session is about to close. They have had all year to bring in this request. Now they come before us and ask for it at this time.

Mr. JENKINS. Mr. Chairman, will

the gentleman yield?

Mr. COUDERT. I yield. Mr. JENKINS. I have been before your committee when you were not there.

Mr. COUDERT. I beg your pardon.

I was there.

Mr. JENKINS. Other Members were there time and time again. The gentleman cannot offer an excuse like that. Why did you not do what you should have done 2 years ago, as far as that is concerned?

Mr. COUDERT. I wish the gentleman had been right when he said I was not there. I am unhappy that I made such a little impression upon him, but I was there. As a matter of fact, the date he has reference to is subsequent to the 8th or 9th of June. I submit that an item of this sort should not be in a supplemental appropriation bill. There is no emergency involved here. There is no reason why this item could not go over to another regular fiscal year.

Mr. BAILEY. Mr. Chairman, will the

gentleman yield?

Mr. COUDERT. Not now.

There is another point that is of very real importance. There is pending today, in the House Committee on Interstate and Foreign Commerce I believe, legislation sponsored by the administration that will affect and change the method of allocation and the method of subsidy, matching funds for these airport programs. I submit that until action is taken on that program, the House would be wholly out of order in appropriating funds at this time.

Mr. HINSHAW. Mr. Chairman, will

the gentleman yield?

Mr. COUDERT. I yield.

Mr. HINSHAW. As a member of the committee to which the gentleman has referred, permit me to announce that that bill has been tabled.

Mr. COUDERT. All the more reason for not taking any action. Now we will wait for the Senate to do something about it.

Mr. HINSHAW. The Senate cannot anything effective when we have tabled the bill.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I shall be delighted to yield to the gentleman from West Virginia.

Mr. BAILEY. The point that is being made about this airport money, it is my recollection that it was said that the supplemental bill was where it could be corrected. In my home city of Clarksburg we have been collecting funds over the years through taxes and assessments to enlarge the airport facilities, yet we have not received any Federal matching funds to take care of the needed improvement.

Mr. COUDERT. If there is such an accumulation of funds perhaps you will not need the Federal money.

Mr. BAILEY. We want to do some extensive work, we want to extend the runways. We have been collecting money from our taxpayers on the strength of getting Federal aid, yet we have so far received no Federal money.

Mr. COUDERT. I suggest that the gentleman continuc with his efforts to

get this in the next bill.

Mr. BAILEY. There is no time like

the present, though.

Mr. COUDERT. Let me call attention to the table in the committee report and to point out that that table shows what each State will get out of this fund. It is allocated on the basis of population and area, and a very small amount is allocated to each State.

Mr. TABER. Mr. Chairman, I wonder if we can get an agreement on time

for this amendment.

I see 12 Members standing indicating they wish to be heard. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes.

Mr. CANNON. I would like 5 minutes

myself.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the time be limited to 40 minutes, with 5 minutes reserved to the gentleman from Missouri [Mr. CANNON].

The CHAIRMAN. The gentleman from New York [Mr. TABER] asks unanimous consent that time for debate on this amendment and all amendments thereto, be limited to 40 minutes, 5 minutes to be allotted to the gentleman from Missouri [Mr. Cannon].

Is there objection?

There was no objection. The CHAIRMAN. The Chair has listed the Members requesting time. The time will be divided equally and each Member will be recognized for approximately a minute and a quarter.

The gentleman from Louisiana is recognized.

(Mr. Bailey, Mr. GREEN, Mr. GARMATZ, and Mr. Granahan asked and were given permission to yield their time to Mr.

Mr. GARMATZ. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Chairman, I cannot begin to cover all of the things in this appropriation bill which, to my mind, are serious mistakes. Just to list some of them at random in the order they appear in the committee's report make along list, for instance:

The failure to provide sufficient funds for prompt action on bankruptcy cases in the Federal courts, even though this money does not come out of the Treasury but out of charges made to parties in these cases.

The failure to provide any of the \$8,-430,000 requested for renewal of the censuses of business, manufacturers, and so on, even though a task force of, I

understand, about 1,000 businessmen and other experts urged this work be done as authorized by law.

The failure to provide any of the \$22 million requested to renew the Federalaid-to-airports program, even though, again, a thorough task-force study shows the previous program was an excellent one and should be continued.

The failure to provide any of the \$1 million which all the economic experts of this administration insisted was necessary to bring construction statistics up to date as a means of knowing how and where and when to proceed on public works, or other types of construction, particularly in fighting against depression.

Skipping over the maritime item, which I intend to go into in some detail, the next bad mistake is to cut \$1 million out of the \$9,750,000 requested to hire additional revenue agents to enforce the tax laws, even though every dollar spent for this purpose comes back to the Treasury many times over in taxes which would not otherwise be collected.

The failure to appropriate the additional \$119,000 requested to help returning veterans get their old jobs back, even though at the present time there is a long waiting list of cases of these boys whose rights have been violated but who cannot get action because of insufficient personnel in the Bureau of Vet-

erans Employment Rights.

The incredible failure to provide the full \$43 million additionally needed for administration of the unemployment compensation and employment-service program, recommending only \$4,600,000 instead, even though the workload is rising and the cuts previously made are causing serious delays.

The failure to provide any construction funds for the new features of the Hill-Burton Hospital Construction Act, even though the bill to expand the act recently was passed as a "must" part of the administration's program.

The failure to provide construction funds for the new Old-Age and Survivors Insurance Building in Baltimore or to provide any relocation per diem benefits for the 450 employees of the Agency being moved to Washington.

The failure to provide any funds for carrying out the education bills we just passed-not that they amounted to much-or to provide the very small appropriation requested for the Children's Bureau to fight juvenile delinquency.

There are just some of the items, Mr. Chairman, where the committee has used a meat ax on reasonable appropriation requests. If anything, the Eisenhower requests were too little to begin with. The administration should never have killed off the Federal-aid to airports program, and now it finds that this committee won't even let it start up again even with a token appropriation of \$22 million. The administration misjudged the need on unemployment compensation administrative funds when the budget was prepared, and Congress even cut that inadequate amount. So the administration asked for a little more and got a refusal.

What disturbs me most deeply about this bill, however, is the utter disregard for the merchant marine of the United States represented by the committee's action.

AUTHORIZING SHIPS BUT DENYING APPROPRIATIONS

We have just had a series of bills go through the House dealing with ship construction. They did not represent any really vigorous program of the kind we need to modernize our merchant marine and to get our idle shipyards back in operation. But they were intended to be of some help.

Now we are asked to turn around and refuse to provide the appropriations necessary to carry out these small pro-

grams.

Instead of \$82,600,000 to build ships, as the Congress has authorized, the committee has recommended only \$11,100,000 for experimental modernization of 4 Liberty ships in the reserve fleet.

Not a cent is in here for the tanker trade-in program we just approved—under which private tanker operators would trade in 10-year-old tankers in good condition, which would go into the war reserve fleet, and get a credit toward the purchase of a fast new tanker of the kind we would need and equipped with the national defense features we would need in case of emergency. The President asked for \$26 million to get this tanker trade-in program started; he got exactly nothing in this bill as it has come out of committee.

Not a cent is in here either of the \$44,500,000 the President requested for construction differential subsidies to make possible the replacement of 5 overage passenger-cargo ships with 4 new

high-speed vessels.

The Government used to build these ships and then sell them less the subsidy to the private lines. The present plan is for the Government to pay the subsidy and let the private lines get the ships built themselves. Whether this saves any money or not is a question, but the administration seems to think it will save on outlays that is, the amount expended in any one fiscal year.

Nevertheless—and without any explanation—the Appropriations Committee has killed this item, too. It would have meant the replacement of the Santa Paula and Santa Rosa of the Grace Lines, Inc., with 2 15,000-ton 19.4-knot vessels, and the replacement of the Maritime Administration's Argentina, Brazil, and Uruguay, operated by Moore-McCormack Lines, Inc., with 2 18,000-ton, 21-knot vessels.

There is no doubt that we need the faster ships, that we want them under the American flag, and that our shipyards desperately need the work involved in building them. But the Appropriations Committee says "not a cent."

Mr. Chairman, I will support the amendment intended to be presented to this bill by the acting chairman of the Committee on Merchant Marine and Fisheries—the committee in which decisions on the construction of merchant ships should properly be made. We on that committee spent long hours in every session of Congress investigating this whole problem of ship construction; we alone can recommend to the House floor

bills authorizing such construction. We do not appreciate having the Appropriations Committee using the device of an appropriations bill to negate our work.

Mr. GRANAHAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRANAHAN. Mr. Chairman, the cuts made in this appropriation bill by the Committee on Appropriations represent by and large a repudiation of much of the so-called Eisenhower legislative program—that part of it, at least, which has been passed up to now.

To say that the administration asked for this kind of treatment by its attitudes last year is perhaps to make political capital out of what could very well be a serious situation for the whole country.

But when you take some of these items on which the big cuts have been made, it turns out that they are usually in programs which the administration itself said last year did not look like very important programs, but now wants to revive.

The Federal aid to airports program is a case in point. Last year, the administration asked that no appropriation be made for it, and none was made. After one of those comprehensive studies by groups of experts which was made in this field as in many others, the administration found the previous program was not only a good one but a vital one and should be reinstated. So it asked for this very small new fund of \$22 million to get it started again in at least a preliminary fashion.

But unfortunately, members of the Appropriations Committee who took the administration at its word last year and agreed the program probably was not worth continuing without a searching reexamination have not included a single cent of the \$22 million. I guess they are reluctant to admit now, as the administration itself has admitted, that ending the program was a mistake. I am afraid the more accurate word is "blunder."

In this connection, the testimony on this bill on behalf of the American Municipal Association, which represents many if not most of our city and county and other local jurisdictions, is very interesting.

TWO-YEAR HALT IN AIRPORT PROGRAM

Mr. R. H. Hamilton, director of the Washington office of this organization, said:

As to the specific amount of the appropriation, the American Municipal Association supports the request for \$22 million, but we respectfully point out that it is at least one-third short of meeting any minimum goal. We say that for this reason: Last year the administration in its wisdom decided to cancel the Federal-aid airport program. You are very familiar with that. That means that the municipalities of this Nation in the development of a national system of airports lost a full year. We have, because of the peculiar nature of the budget process, even if this appropriation were to pass the Congress tomorrow, lost another full year

because of the necessity for submitting grants, applications for grants, and so forth.

To this, Congressman CLEVENGER, of Ohio, chairman of the particular sub-committee of the Appropriations Committee which acted on this part of the supplemental appropriation bill, replied:

You understand the Secretary of Commerce made no request in the original budget to this committee for this money, do you not?

Mr. Hamilton. I recognize that. If I am not mistaken, at the time the original request was submitted, two factors prevented the submission of the request. One, the final work of President Eisenhower's study committee, the National Airport Advisory Council group—

Mr. CLEVENGER. I will say of all the study groups and their reports to date, including the Census, and the one relating to the reciprocal trade agreements and all of that, they have all provided for a tremendous enlargement over even the extravagancies that have preceded it. I presume this is in the same line. I have not seen the report.

Mr. Hamilton. When you say it is in the same line, the report stated, as a matter of fact, that there was a Federal interest in the development of a national system of airports.

Mr. CLEVENGER. Certainly, there is a Federal interest in the development of everything in the United States. That statement of yours is like the question of "When are you going to stop beating your wife?"

I include this exchange from the printed hearings, Mr. Chairman, because I think it sheds a lot of light on the whole situation we face in connection with this starvation appropriation bill.

The Federal aid airport program, killed last year by administration desire to review the whole program comprehensively before spending any more money on it, is again killed by the Appropriations Committee even though the administration now wants to reinstate it. I shall certainly support the amendment to restore to this bill the very modest amount the Secretary of Commerce now asks, and I am sorry we got into this mess as a result of the premature killing of the program last year.

CAA DID NOT CONTACT CITIES

To me, the most serious part of this situation is that the Commerce Department deliberately cut off any contact between the Civil Aeronautics Administration and the various municipalities of the country during the past year so at present it has no idea how much funds are really needed to get the program back in operation. That hurt the CAA in this situation, because the Appropriations Committee has made much of the fact that CAA has no clearcut schedule of projects on which to spend the \$22 million it requests. I do not follow the reasoning of the Commerce Department in putting up this curtain between the CAA and the municipalities—the theory that if CAA talked to the cities about their plans and needs for airport work it might imply that the Commerce Department, which still had not made up its mind about it, actually favored renewal of this program.

So now, as a result, the CAA has difficulty explaining how it will use the money. But, as Mr. Hamilton and

other spokesmen for the municipalities and their airports pointed out, and as the CAA indicated, there is a tremendous need for new Federal funds in airport expansion and improvement, and so this \$22 million would not have gone very far at all. There is no question that this amount can be wisely used if we provide it in this bill.

As an outstanding example, I have been in touch with the officials of Philadelphia on this matter, and they tell me that we urgently need an additional runway at our airport there which will cost about \$8 million. This vital need is outlined in a telegram which I have received from Mr. Walter M. Phillips, director of commerce, Philadelphia,

which I quote:

Rapidly increasing air traffic at Philadelphia Airport makes it imperative in near future to construct another east-west runway parallel to main instrument runway. Estimated cost of runway \$8 million. This improvement vital not only to future of air transportation in Philadelphia area but in time of national emergency would be essential to national defense.

Now, Mr. Chairman, it is not only the Federal-aid airport program which has suffered so badly in this bill as a result of previous administration reexaminations. The shipbuilding program of the Maritime Administration is cut to pieces. Business and manufacturers censuses, which were knocked out last year for reexamination purposes, are again denied funds, even though the administration and leading business spokesmen, after exhaustive study now tell us they are important to our economy.

OTHER SEVERE CUTS

Unemployment compensation funds were cut too deeply in the administration's original budget estimates, as the President has since acknowledged, and when it was found they were too low and a request was made in this bill for \$43 million more, all but \$4,600,000 of that was refused. That \$38,400,000 should be restored here today. The hospital construction program just authorized-the new program-is cut out completely, so are all the educational programs just authorized by Congress. A \$165,000 item for the Children's Bureau to combat juvenile delinquency is cut out Civil defense gets a terrible cut of \$35 million from the request of \$60 million for stocking of emergency medical supplies and similar equipment. Money the administration says is needed to make sure veterans receive necessary help in getting their old jobs back under their reemployment rights is also denied. This is not economy so much as it is fiscal butchery.

On the other hand, Mr. Chairman, while making these criticisms which I feel deeply, I want in all fairness to express my gratitude that the committee did not go on to reduce the supplemental requests for veterans unemployment compensation payments or for veterans hospitalization, or for necessary military civil works projects such as the one at Frankford Arsenal, to cost \$1,626,000 this year, to expand and improve the electrical distribution system and rehabilitate and improve the steam-generating system.

But with the exception of some items of that kind, this appropriation bill is one intended to slash the heart out of programs which not only the Democratic administrations but now this one, too, have said are vital programs of Government. I think the bill in its present form is something of an insult to the President, and at least a repudiation of much of his program, such as it is.

The gentleman The CHAIRMAN.

from Louisiana is recognized.

Mr. BOGGS. Mr. Chairman-Mr. GREEN. Mr. Chairman Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. GREEN. Mr. Chairman, I rise at this time to commend the gentleman from Georgia [Mr. Preston] for presenting this amendment and to state that I am supporting him in this effort to the fullest extent.

The Members from Philadelphia have been working in cooperation with the gentleman from Georgia [Mr. Preston] for the last week in impressing on our colleagues the importance of the Federal

aid-to-airports program.

The administration in the city of Philadelphia and Mr. Walter Philips, the city representative in particular, has been in contact with all the Members and has advised us the importance of this amendment to the expanding airport facilities in the great city of Philadelphia.

It is my hope that this amendment will pass and this most important work will go forward in the interest of the national defense of our country.

Mr. BOGGS. Mr. Chairman, I rise today to support Congressman Preston's amendment to this supplemental appropriation bill which has the effect of putting \$22 million into the bill to restore the Federal airport program.

Last year, the leadership saw fit to delay that program by providing no funds for it. This was the first time in the history of the act that this had occurred. At the time. Members on this side of the aisle pointed out that failure to appropriate funds for the Federal airport program would result in a destruction of a national system of airports. We suggested that the Federal Government had legitimate, constitutional interest in airport development and that States and municipalities could not carry the financial burden of airport development without Federal cooperation. Our judgment has been borne out. Statistics show a decline in airport construction plans during the past year.

Shortly after the adjournment of the first session the administration appointed a study commission to ascertain the facts about airport development in the United States. The Transportation Council of the Department of Commerce, appointed by Secretary Weeks, took a new look at the national airport program. The unanimous recommendation of that well qualified study group was that-

States and municipalities and other local political units alone are unable to carry the capital investment burden involved in providing an adequate system of national air-ports. Therefore, it is the unanimous opinion of the panel that it is the responsibility of the Federal Government to give financial

assistance to local governments in developing airports which are in the national in-

That is the actual quotation summing up the opinion of the Eisenhower-appointed group who took a new look at this well-established program.

President Eisenhower sought to implement the findings of his administration's study group. He sent a supplemental request to the Appropriations Committee asking for \$22 million to carry out the Federal responsibility in this program. I regret to say that the committee refused to appropriate even this meager amount. They have turned thumbs down on the

President's request.

I stand ready to support the President. I know and understand the necessity for a Federal airport program. In my own city of New Orleans I know that the Federal Government has a responsibility to help develop that airport. Over 90 percent of the traffic at that airport is interstate in character. It is the air gateway to our good friends and neighbors in Latin America. The development of Moisant Airport is certainly of equal importance to the National Government as it is to the city of New Orleans. Needed and urgent repairs are being held up. The construction of a modern terminal building adequate to the needs is awaiting Federal action.

The development of Moisant Airport is a project which New Orleans' Mayor deLesseps Morrison has long planned. His vision of the airport's needs are commendable. I hope we will approve this amendment so as to continue the established partnership in the development of

this facility.

Mr. Chairman, well-qualified representatives of the Nation's airport system have testified to the need of this program. At a time when we are appropriating nearly \$2 billion for highway work, hundreds of millions for aids to water transportation and navigation, it makes little or no sense to neglect our Nation's system of airports. The American Municipal Association, representing 12,000 municipalities in 44 States, has pointed out that the development of the Nation's airport system has come about partnership. through Federal-local This amendment seeks to continue that partnership. If the partnership is dissolved because of one of the partners does not contribute to it, then the national system of airports will be dissolved and destroyed. I need not dwell on how tragic that would be from a standpoint of the Nation's defense, progress, economy, and business and commercial convenience.

I hope that the amendment will carry. I hope that the Federal Government will fulfill its share of the responsibility in providing a national system of airports and stand shoulder to shoulder with the local governments of the United States in providing adequate facilities for their air age. Planes with-out airports are useless. Airports will not be built and improved unless Uncle Sam fulfills his share of the responsibility. I urge the Members of the House to support this amendment offered by my well-informed colleague from Georgia whose leadership in aviation matters is widely recognized. In brief, a vote for the amendment is a vote to restore the Federal airport program which we cut off last year without notice. It is also a vote in support of President Eisenhower's budget request.

SUMMARY OF SPECIFIC FINDINGS AND CONCLU-SIONS, AIRPORT PANEL, TRANSPORTATION COUNCIL, UNITED STATES DEPARTMENT OF COMMERCE, 1954

I. The number and functional adequacy of present civil-airport facilities do not meet the present and future needs of civil aviation consistent with the requirements of the national interest and security.

II. States, municipalities, and local political units alone are unable to carry the entire capital investment burden attendant upon the provision of an adequate system

of national airports.

III. The Federal Government should participate financially with State and local governments in the construction and development of civil airports to the extent that these airports serve the national interest.

IV. The determination of whether there is sufficient national interest to warrant Federal participation in a particular airport project should be based on a demonstration of tangible aeronautical necessity in the area served.

V. Federal aid should not be limited to any class or category of airport or landing VI. The following segments of airport de-

velopment should be eligible for inclusion in Federal-aid projects: (a) Acquisition of land or easements, in-

cluding all areas necessary for the public safety, such as overruns, runway approaches, and land required for the expansion of the aeronautical facilities of the airport.

(b) Land development, such as clearing, grading, fencing, and the installation of drainage, sewer, and water facilities. This should include not only the initial cost, but also the cost of any subsequent modification or addition.

(c) Construction of runways, taxiways (including leadoff taxiways, runup aprons, and ramps devoted to common public use.

(1) Hard surfacing or other paving should be provided where natural drainage will not assure all-weather service.

(2) Federal aid should normally be limited to the development of a single runway

on each airport.

(d) Installation of lighting and navigational facilities (including lighting of obstacles in the approach area) for common public use for the safe operation of aircraft on the airport

(e) Removal of obstacles on approaches to airport runways when in the interests of

public safety.

(f) Nonrevenue service-type structures, as buildings designed to house fire, crash, and maintenance equipment; control towers.

(g) Access and service roads within airport boundaries.

VII. Since terminal buildings are revenueproducing facilities, they should not receive Federal grants-in-aid. However, as a corollary, all Federal agencies should pay for all their space requirements, including cost of construction and maintenance, on a selfliquidating basis.

VIII. The Congress should study the feasibility of a plan whereby the Federal Government would guarantee the payment to private investors, such as banks and other lending agencies, of indebtedness incurred by State or local governments for the construction of terminal buildings.

IX. The Federal Government should remove reservations and restrictions contained in surplus property deeds or airport sponsors agreements which prevent the private financing of civil airport development.

X. When military requirements at an airport exceed civilian needs, the additional cost should be borne in full by the Department of Defense.

XI. A thorough revision of the national airport plan should be made. This should be based on sound criteria designed to gage the tangible aeronautical necessity of the area served or to be served by the airport.

XII. Selection of sites for airports, heliports, and seaplane bases to be included in the national airport plan should be the mutual responsibility of Federal and State officials, in cooperation with local officials.

XIII. Preparation by the Federal Government of annual or biennial airport programs and the selection of individual airport projects to be included therein should be based on the applications of State and local officials.

XIV. Except as provided in section 10, subsections (b), (c), and (e) of Public Law 377, 79th Congress (Federal Airport Act), as amended, and, except when specifically recommended by the Administrator of Civil Aeronautics and approved by the Congress, the share of the Federal Government in any approved project should not exceed 50 per-

XV. The Congress should review the Federal Airport Act, together with all other statutes affecting airports, in the light of experience gained since 1946, with the view to eliminating unnecessary costs and restrictions through amendments to the act or applicable statute. Pending such action by the Congress, the Civil Aeronautics Administration should review the administration of the act with the view to eliminating all unnecessary costs, restrictions, regulations, and requirements.

The CHAIRMAN. The Chair recognizes the gentleman from Nevada IMr. YOUNG].

Mr. YOUNG. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia. The gentleman alluded to the Airport Committee of the Transportation Council, which reported favorably on a continuation of this program. In addition, the Air Coordinating Committee appointed by the President also completed a comprehensive study of the role of the Federal Government in national air transportation. It, too, reported favorably and recommended that this program be continued on a modified basis. It pointed out that in its opinion the primary role in airport construction belongs to local and State governments, but that the National Government does have an interest in maintaining a national air transportation program not only for the purpose of keeping up with our phenomenal economic growth but for the purpose of helping us discharge our responsibility as a world leader.

The Department of Commerce conducted a separate survey in which it pointed out that air transportation use has grown tremendously in this country during the past few years. In 1945 there were some 13 million who enplaned on domestic airplanes. In 1953 that number had grown to 28 million. The Department anticipates and predicts that in 1960 there will be 50 million Americans using domestic airlines. This growing use has overtaxed existing facilities and unless national air trans-portation is to suffer, the Federal aid to civil airport program must be continued. Our air services must be expanded with its supporting base to keep pace with our economic development and position as world leader. I urge adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW]

Mr. HINSHAW. Mr. Chairman, I desire to inform the gentleman from New York [Mr. COUDERT] that the committee considered the revision and modification of the Federal aid to airport program and tabled the bill, knowing full well that the bill made such modifications that the committee could not go along with it. The original act provided for \$75 million a year for 10 years. At no time has the Committee on Appropriations come even close to that figure which we believed at the time was necessary properly to build a system of airports in the United States. I believe that the Committee on Appropriations in effect would veto this legislation passed under the aegis of my committee by such action as is here proposed. I support the amendment of the gentleman from Georgia [Mr. PRESTON].

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CLARDY].

Mr. CLARDY. Mr. Chairman, as one who has been flying his own plane from one end of the Nation to the other for better than 25 years, I think I know something about how the program has worked. I do not like what I see. If you think you are helping private aviation. you are kidding yourselves. Furthermore, as a freshman Congressman, I am appalled. Every time someone rushes to Washington for money, you would think that it was merely turned out on a printing press and cost no one anything. Will there never be an end to the idea that this money comes out of the pockets of the very people who think they are benefiting from it? And if this amendment is adopted you will have opened the floodgates. Next year the cry will be that we must carry on the project this money will start. I think the amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr.

Mr. HAYS of Ohio. Mr. Chairman, I rise in support of the amendment. would like to cite one example here. The airport that serves most of the people of my district is located in Ohio County, W. Va. Obviously, the only way we can contribute to it is through Federal funds. The runways of that airport are deteriorating; they need resurfacing, and every year that it is put off it is going to cost more money to get it in the kind of shape it ought to be in to be safe. I think the people of my district want this amendment because they realize the importance of aviation and the importance of national airliners to serve their communities. I am in wholehearted support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Vorys1

Mr. VORYS. Mr. Chairman, 25 years ago I was Ohio's first director of aeronautics. We learned then that aviation is national. We found you could not have city or State licensing or traffic regulations for aviation, although some States

and cities tried it. We found you had to have Federal licensing of pilots and planes, and Federal air traffic regula-The traffic is national and requires nationwide regulation and national support. We have Federal railway regulations and the Federal Government helped the railways in the early days with Federal land grants. We have a 50-50 Federal support of our road system. We have gigantic rivers and harbors appropriations and additional Federal subsidies for our merchant marine. This aviation is a national proposition, involving defense and safety, as well as interstate commerce, and it is a wonderful thing that we get a share of the costs from these cities that are willing to bond

Now, you cannot have a city wait until an appropriation is made before it issues its bonds. The city must of course move first under the airport aid law. If it does it on the faith and credit of the national law, I think there is a Federal commitment. Take your social security. That requires future appropriations, but nobody claims that the people are not justified in relying on social security when they pay in their money. In cases like my own home city, Columbus, Ohio, where we voted a bond issue of \$3,383,000 in reliance on this law, the Federal Government ought to meet its obligation.

Port Columbus is high in priority on national defense aspects. A naval air facility is on the airport. North American Aviation has a plant beside the port. The greatest Army Quartermaster depot in the world is within a mile; 17,838 Air Force landings and takeoffs were made in 1953.

When the Federal Government gets a defense facility like Port Columbus for 50 cents on the dollar, it is getting a bargain. The Government ought to carry out its part of the bargain.

Mr. YOUNGER. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. Gubser] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GUBSER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia.

Last year, the Federal airport aid program was cut pending studies then being conducted. A committee appointed by the Secretary of Commerce recommended that the Federal airport aid program be continued on a larger scale. The air coordinating committee unanimously recommended the Federal airport aid program, and President Eisenhower adopted the report of his air-coordinating committee as national policy.

Like many other cities throughout the country, the city of San Jose, Calif., which is in my district, extended itself financially on the airport expansion and development program in the belief that the Federal Government would continue to carry out the recommendations of its own agencies and study commission, and that it would follow the policy laid down by the President. In order to preserve

land for badly needed major airport development, the city of San Jose borrowed deeply from its capital reserve to advance the Federal Government's share of acquisition funds.

In accordance with the Federal Airport Act, the city of San Jose already has incurred out-of-pocket expenses of \$131,-028 in land and engineering costs in anticipation of Federal aid. In addition, the city of San Jose has created a special fund for the carrying out of a project, total cost of which comes to \$382,323. Last year, the city of San Jose authorized the purchase of additional airport property in the amount of \$158,000. This property was purchased on the assumption that Federal aid would be obtained. The approved master plan for development of the San Jose airport to the standard required by the industrial development of the San Jose area, and the San Francisco Bay area as a whole, cannot be carried out without Federal aid.

I am not proffering the contention that the Congress is under legal obligation to appropriate the funds sought under the Federal airport aid program by the Civil Aeronautics Administration. I do, however, urgently suggest that we are under the moral obligation to carry out what has been proclaimed as the national policy by our own leaders, and upon which cities in all parts of our country have relied.

MORAL OBLIGATIONS SHOULD BE LIVED UP TO, NOT AVOIDED

If it is the desire of the Congress to shut down the airport-aid program—something that I personally hold to be contrary to the national interest—then let us do it after giving proper notice, so that those who heretofore have worked under the illusion of a Federal-local partnership may be disabused, and are not lured into making commitments on their part which later must remain unfulfilled for lack of Federal assistance.

Mr. Chairman, let us recognize that the \$22 million sought by the CAA under the airport-aid program for the current fiscal year is not sufficient for the tremendous needs facing airport development everywhere. It is an amount calculated to give welcome assistance to a number of airports with carefully screened and officially approved projects deemed advisable not only in the local The but in the national interest as well. almost unbelievable rate of industrial development in the San Francisco Bay area renders the development of airport facilities at San Jose a necessity. I am sure the same is true elsewhere.

We have aided the railroads in crisscrossing the country with their lines as a matter of national interest. We have aided in road construction to aid motor links, likewise in the national interest. Let us now in enlightened self-interest, aid aviation by creating the landing fields.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Younger].

Mr. YOUNGER. Mr. Chairman, I think our duty is very clear here. Rightly or wrongly, we have inveigled or encouraged communities to issue bonds in the amount of \$33 million for airports. We have not carried out the obligation of

the Federal Government. The gentleman from New York says that this should not be in this bill. I want to know what kind of a bill it should be in if it should not be in an appropriation bill; and this is an appropriation bill. This amendment was recommended by the Bureau of the Budget. The gentleman from New York says that this is not an emergency. He cannot say to those local governments which have issued these bonds, which have been waiting all of this time, that this is not an emergency. I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. KNOX]

Mr. KNOX. Mr. Chairman, I rise in support of the amendment of the gentleman from Georgia [Mr. Preston]. Also, I concur wholeheartedly in the remarks of my colleague the gentleman from Ohio [Mr. Jenkins]. I cannot believe that this Congress can justify taking a position of dormancy at this time as far as the aviation industry is concerned. I certainly feel that if we are justified in appropriating funds for roads, then we are justified in providing funds so that we may have some safety on our airways. It is my hope that the House will wholeheartedly accept the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Polk].

Mr. POLK. Mr. Chairman, first I wish to say a word in commendation of the gentleman from Georgia, Mr. PRINCE PRESTON, who has worked so hard and so faithfully and so long on this particular proposal.

FEDERAL AID FOR AIRPORTS

As you may recall, last year when the appropriation bill was before the House, it was my privilege to offer an amendment similar to the amendment the gentleman from Georgia [Mr. Preston] has offered here today. At that time we were told that if we would only wait another year until an investigation could be made, that this question would be considered. The investigation has been made. A favorable recommendation has been made on the matter of Federal aid to airports.

Certainly we have complied with the request of those who wanted to study this question. It has been studied. We are now in the process of securing the money which the people of this country have believed that the Congress had a moral obligation to supply to them to match the money that they had themselves appropriated. I strongly support this amendment and urge its approval.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, it would seem to me that to appropriate money for things that are really not needed, when we have to borrow that money from the people, is wrong. But we all recognize that aviation is here to stay so that we are appropriating money here that is needed to meet previous commitments. To me this amendment makes sense, for this reason. I do not believe the Government has any right legally to refuse

funds that have been formally committed and repudiate an agreement that people made with the Government to match funds on a 50-50 basis, to create their own facilities. It would seem to me that to deny this appropriation would not be very good judgment on the part of the Government. I personally feel that I can favor this amendment. To permit the Federal Government to fulfill its obligations and commitments to municipalities that have fully complied by executing their part in fund raising in good faith, in anticipation that the Federal Government would do likewise.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Jupp].

Mr. JUDD. Mr. Chairman, this amendment is, first of all, a plain matter of the good faith of the United States. It has been said that some of these American communities did not take adequate pains to discover whether Federal funds were actually available to match their bond issues. Perhaps it was naive, but I will not admit it, for the American people to believe statements proceeding from their own Government in Washington advising them and even urging them to raise money themselves, which the Federal Government would match.

Most Americans still believe that the word of Government officials can be depended on. Having encouraged local communities to raise funds for airports, and now that they have their share of the funds raised for the airports—and nobody denies that the need for them exists—it is unthinkable to me for the Congress not to go through with its part of the bargain.

I think this amendment ought to pass overwhelmingly as a matter of good faith and as a matter of national security and sound development of national transportation facilities. I cannot find one adequate reason against this amendment. We are going to do it eventually; why should we not do it now, and act in good faith with our local communities?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Scudder].

Mr. SCUDDER. Several years ago the Federal Government entered into an agreement with the city of Ukiah, in my district, in order to assist them in the building of an adequate airstrip so that the larger type commercial planes could land there. The city voted a sizable bond issue to provide for the necessary improvements for the airport. The city purchased the land expecting that the Federal Government would meet their agreed obligation. The Government agency found themselves without funds to meet its share of the cost of this project. Today the city owns the land. But the strip is ungraded, it is unsurfaced, because of the lack of matching money obligated by the Federal Government and air transportation has been retarded in that area.

I know an emergency does exist in the city of Ukiah and without a doubt there are other similar cases. This amendment is necessary to take care of the improvement of airports in a similar posi-

tion. These people are entitled to air service. I believe it is the responsibility of the Federal Government to meet its obligation and assist in carrying out a project the city entered into in good faith. I support the amendment and ask for a favorable vote.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. Lard].

(By unanimous consent, Mr. Larre was given permission to transfer the time allotted to him to Mr. Taber.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Wier].

Mr. WIER. Mr. Chairman, I want to associate myself with my colleague from the city of Minneapolis in supporting this amendment. The major airports in the principal cities of this country serve all the people, and in addition they serve many of the needs of the military. The Word Chamberlain Field in Minneapolis at one time was completely a commercial field but has now been servicing both the Navy as a reserve station and likewise the military Air Force. They have encroached there and are taking over considerable of the room on the field, with a resulting problem to the Word Chamberlain Administration. For that purpose, I think the Government does have a real interest in helping to service the major fields of this country and making it possible for those in the smaller communities to have adequate service. So I, too, support the amendment offered by the gentleman from Georgia [Mr. PRESTON].

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PRESTON]

Mr. PRESTON. Mr. Chairman, I call the attention of the committee to a statement by the United States Chamber of Commerce in its policy statement of May 1953:

The national interest in the provision of an adequate nationwide airport system justified reasonable Federal aid for this purpose. The Federal Airport Act of 1946 is the basis for such participation.

No one would accuse the United States Chamber of Commerce of being possessed of spendthrift ideas. It is one of the most ultraconservative organizations in the country. It is the organization that has importuned Congress more often than any other organization to act economically. Yet here the granddaddy of all the economy organizations in its policy statement says that we should carry on the Federal airport program enacted in 1946. I submit that that is proof of the highest order.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. Chudoff].

Mr. CHUDOFF. Mr. Chairman, perhaps one thing which can be brought out in favor of this amendment is our wonderful and great new Philadelphia International Airport, which we have just opened in the past 6 months. The city of Philadelphia went to great expense to plan what, in my opinion, is one of the finest airports in the world. They took into consideration in making these plans the fact that there would

be Federal aid to airports on a 50-50 basis. We definitely need this money to finish this airport. Some time ago I came to the well of the House to ask the Federal Government not to break faith with the Commonwealth of Pennsylvania in its compact to clean up the Schuylkill River. Just as in the case involving these airports, the Federal Government had authorized the cleanup and never appropriated the funds. Fortunately, we were able to get the funds for the cleanup and the work will be finished this year. I think this is just another example of the Federal Government breaking faith with the municipalities of our Nation. I feel many of our municipalities do not understand the system we have here in the Federal Government and in the Congress of the United States. They do not understand that there not only has to be an authorization, but there must be an appropriation besides. They feel that as soon as the authorization has passed that the Federal Government will finally come through with the money necessary to meet the authorization. Then they find, after they have made their plans and issued their bonds, that the Federal Government refuses to come through with the money and appropriate sufficient funds to keep the agreement with the municipalities. In all fairness, I think that since the municipalities are trying to develop the airports of this country, this amendment should be passed.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, there is scarcely time enough to answer but 1 or 2 of the allegations that have been made. I want all of you to remember that of this \$22 million, there is \$1,250,000 for administration. There are 46 of these planners at the present time that are the cause of the municipalities being in the shape they are in. This money will be appropriated under the very terms of the appropriation to be allotted to the States under the present formula. For the whole State of Ohio. it would amount to about \$503,000. I am sure that my two colleagues will not be able to get all they want out of that amount of money.

I want to be honest with the people of Portsmouth. There is no way that this committee can earmark \$400,000 for Portsmouth, Ohio.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield.

Mr. JENKINS. I do not want to enter into a dispute with the gentleman, but the chief authorities of this department say to me that they can do this thing and that they can take \$400,000 out of the \$28 million and pay it down there, and they can do that until the money is expended. It seems that some of you just do not understand what the situation is.

Mr. CLEVENGER. Some of us are remembering the obligation that we have toward the rest of the towns and the rest of the States, and we are not trying to grab more than our share. I am going

to tell you something. When some of you Members go out on the stump and go to talking about balancing the budget, and how you are for economy, and suddenly you feel something bitter in your mouth, do not be alarmed, it is just an excess of biliary action and your gall bladder is working.

bladder is working.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr.

CANNON. 1

Mr. CANNON. Mr. Chairman, how easy it is to spend money for some beloved project back in our own districtsand how hard it is to levy taxes to raise the money. The mythical senator, Senator Snort, always voted for all appropriations and against all taxes-a consumate achievement in statesmanship. It is to be observed that most of those who are urging additional expenditures here today voted to reduce taxes in the last tax-revision bill. We vote for appropriations and we vote against taxes. and then, as Senator Snort said, we get letters from crackpots who want to know where we are going to get the money.

Mr. Chairman, may I interrupt this hilarious, headlong stampede on the Federal Treasury for just one word? Can we talk a little commonsense? Mr. Chairman, may I talk a little practical politics with my friends here this after-

noon, in their own language?

How disappointed. How shocked and disappointed some of us who are voting for this pork-barrel amendment here this afternoon are going to be when we get in line to collect our share of the loot.

The amendment provides \$22 million for more than 1,600 airports. But you are not going to get an equal division even on the \$22 million. Something like \$2 million must first be subtracted for administration and the insular possessions

Of the remaining \$20 million, 25 percent goes to the Bureau of Aeronautics. Seventy-five percent goes to all the States—not in equal parts—but according to population and area. Texas with its huge area and population would get a major slice. But Texas is full of airports and the entire \$20 million if given to Texas alone would be equivalent to a pint can of water carried across the desert to extinguish a forest conflagration.

There will be expectant constituencies all over the country, whose hopes have been buoyed by the rosy accounts of this vote who will be quite irked when \$15,-000,000 does not build a superairport in every county seat in the Nation.

But the embarrassment of the Congressman who fails to deliver on the flambuoyant reports the newspapers will carry on this amendment will not be a circumstance to what he will be up against when the drive really starts. Every hamlet and village and crossroads in the country will be out to get its airport and its share of the Government money. There is \$1,250,000 in the bill, to be taken out of the \$22 million, for new employees whose business will be principally to cruise around over the country and encourage more towns to apply for airports.

It will take a lot of explaining on the part of the Congressman to convince them that they are not as much entitled to an airport as the town just across the line. Oldtimers around here will remember what happened when each Congressman had one new post office building to pass around and two dozen towns in the district reaching for it.

Now let us be practical about this matter. It is no time to start something which can in 1 year get completely out of control. To pass this amendment is to start a program which cannot be held in leash. It is a program which will demand not millions but billions of dollars. It opens up an area of such colossal expenditure as to dwarf any other peacetime item in our national budget.

I know we get tired hearing about the budget. Balancing the budget—balancing the budget. But as weary as we are of hearing about it, the unbalanced budget reported the first of the month at the beginning of this fiscal year and which will confront us on the adjournment of the Congress, is one of the most serious and dangerous of all the serious and dangerous situations which surround us today.

Just one more absurdity. Doubtless you have been surprised at statements made during debate on this item to the effect that the Government is committed—that the Government is pledged—that the Government has entered into contract—that the Government is guilty of bad faith—when it does not supply money in any amount to any locality which chooses to issue bonds for an airport.

It cannot be stated too emphatically that the Government has never at any time made any agreement of any kind with anybody to contribute anything whatever to the construction of any airport contemplated by this amendment.

"Oh," they say, "the Congress has passed an act authorizing such expenditures." But an authorization has no binding effect whatever. The statute books are full of them. They are passed every session—too often by what amounts to unanimous consent. If the Committee on Appropriations reported and the Congress passed this afternoon all appropriations authorized by law the Treasury would discontinue payment tomorrow morning.

Mr. Chairman, this expenditure is unwarranted. We have been getting along without it and we can continue to get along without it. Every dollar of it is deficit spending. The States and minor political subdivisions are solvent. Let them take care of such expenditures. The amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I rise in support of this amendment.

The city of Billings, Mont., one of the two largest cities in our State, has been planning for improvement and enlarging its airport for several years and has depended upon the availability of Federal funds to help in the project. The city did not rush into this program, but gave it considerable study and devoted a good deal of effort to its plans before

it applied for Federal help. Unfortunately, the delay occasioned by the desire to have a sound project carried the city beyond the date when Federal funds were cut off.

As part of its planning, the city of Billings about a year ago voted upon a \$450,000 bond issue for the airport program. The voters endorsed the project overwhelmingly. At that time the city was negotiating with the CAA in good faith with no idea that the Federal program would be terminated.

Under these circumstances, we feel strongly that the Federal Government has a commitment, at least a moral commitment, to go ahead with this project. The total Federal share would be \$570,-859, while the local sponsors would contribute \$460,000. The work includes land acquisition, grade and drain landing strip to be 500 feet by 8,800 feet, paving and lighting another runway 150 feet by 8,600 feet, paving of taxistrips and aprons, construction of a new terminal building, etc.

Not all of this work needs to be done at once, but the improvement and lengthening of the landing strips is essential.

Billings is the center of the new and rapidly developing eastern Montana oil industry. Its population is growing rapidly. It is a transportation hub in the State for air, highway, and rail travel. For the past several years it has rated sixth among all the cities in the eight Northwest States as to the number of enplaned passengers.

The present airport is entirely inadequate to handle the growing amount of traffic and the new and larger aircraft that are being used and are on order for Northwestern Airlines, Frontier Airlines, and Western Airlines.

This is a necessary and worthwhile project, and I think that the Federal Government should come forward without delay to do its share under the Federal Aid Airport Act. I hope that the committee will include in the bill at least enough money to go ahead with the projects at the larger and more important air centers such as Billings, Mont.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER] to close debate on this amendment.

Mr. TABER. Mr. Chairman, I hold in my hand the justifications that were brought up by the Civil Aeronautics Administration when they came for their hearing on this matter. They said they wanted 1,910 airports. With an item of \$22 million each airport would get about \$10,000. You can figure your chances on this thing. I just hope too many will not be buncoed by the propaganda that has been put out by these fellows down there on the payroll. They have been out to these communities and sold them without any authority on a promise that the United States would pay half. It was a bad thing that the Congress permitted them to stay on the payroll.

Let us not allow the people to be bamboozled by such folks as that; let us not allow them to build up another 65, 70, or 100 additional redtapers to go around and inveigle communities into trouble.

I hope this House will show its usual good sense and refuse to add this item onto the appropriation bill today.

The CHAIRMAN. The question is on the amendment offered by the gentle-

man from Georgia.

The question was taken; and on a division (demanded by Mr. TABER) there were-ayes 157, noes 61.

So the amendment was agreed to. Mr. YOUNG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Young: On page 6, following line 8 insert:

"CLAIMS, FEDERAL AIRPORT ACT

"For an additional amount for 'Claims, Federal Airport Act', to remain available until expended, as follows: Municipal Airport, Elko, Nev., \$69,449."

Mr. YOUNG. Mr. Chairman, the amendment which I have offered is to appropriate \$69,449 to repair damages done to the Municipal Airport at Elko, Nev. I may say at the outset that we should commend the Appropriations Committee for the excellent job it has done in economizing, in cutting out unnecessary expenditures. However, I believe in this instance we have not an unnecessary expenditure but a legal obligation of the United States Government.

How did this claim arise? It arose under section 17 of the Federal Airport Act, which provides that in the event a Federal agency damages or does harm to a municipal public airport, then the Administrator of Civil Aeronautics can investigate, appraise the damage and make a recommendation of what sums will be necessary to rehabilitate the airport and repair the damage. That has been done. During the first session of the 83d Congress, by Public Law 105-this Congress reaffirmed that law. A claim was duly submitted; it was certified by the Civil Aeronautics Administration in the amount of \$69,449. It represents a legal, contractual obligation. It represents an obligation upon which the United States Government could be sued in the Court of Claims, and I see no defense to the

How did this damage occur? It occurred from two causes. First, as the result of Operation Haylift, which was conducted from March 22 to March 31, 1952. In Operation Haylift, heavy Army and Navy planes used the Municipal Airport at Elko, Nev., for the purpose of dropping hay to cattlemen in distressed areas. The areas were distressed because of a heavy snow which isolated them from their supplies of food.

The airport was designed to handle airplanes with loads of 15,000 and 20,000 pounds for single and dual-wheeled planes, respectively. Heavy C-54 and C-119's, carrying gross loads of 63,000 and 64,000 pounds utilized the airport. There were 110 such loads from the Elko Municipal Airport. There is no doubt that damage occurred as a result therefrom. Shortly after the commencement of the operations city authorities notified the Engineer Corps that extensive damage was being done to the pavement. Later that summer repairs were made to the airport, and that fall a second cause

for damage occurred when an air rescue mission was underway. There were several downed planes. Approximately 30 Army and Navy planes utilized the airport to conduct their operations.

I have here a letter from the commanding general of the Air Rescue Service, in which he says:

AIR RESCUE SERVICE. MILITARY AIR TRANSPORT SERVICE, UNITED STATES AIR FORCE Washington, D. C., February 4, 1953. Hon. DAVID DOTTA.

Mayor of the City of Elko, Elko, Nev.

DEAR MAYOR DOTTA: I wish to convey my sincere appreciation through you to the citizens of Elko and the surrounding territory for the splendid cooperation afforded members of my command during the recent search for a United States Air Force C-47 and a civilian Cessna aircraft, both lost on December 10, 1952.

The combined efforts of local Civil Air Patrol members, governing officials, and volunteer searchers greatly hastened the conclusion of the mission.

Although the absence of survivors in either disaster was saddening to us all, still, the singleness of purpose displayed by military and civilian alike in a desire to help their fellowman is unquestionably reassuring.

Since I cannot thank each one concerned individually, I must take this collective method of expressing my personal gratitude, and that of my entire command.

Sincerely,

T. J. DUBOSE. Brigadier General, USAF, Commanding.

There seems to be some question as to the amount of damage done to the airport. The Engineer Corps made a preliminary report and estimated that some \$20,000 would be required to repair the airport. The city, in conjunction with the services of the Nevada State Highway Department, submitted a claim in the amount of \$116,000. Later the Civil Aeronautics Administrator made an investigation and reported that in his opinion an amount of \$69,449 would be required to put the airport in the same condition that it was in prior to the time of Operation Haylift, and the air rescue mission. The claim was duly submitted, but it has been rejected by the Committee on Appropriations.

Now, why do I feel that the Federal Government is obligated to pay this? First, because section 17 of the Federal Airport Act clearly and unequivocally states that when the Administrator of Civil Aeronautics certifies a certain amount as necessary to rehabilitate an airport it should become a legal and contractual obligation of the United States Government. Secondly, we know if a private plane used an airport such as this and damaged it as extensively as this was damaged, there would be no doubt that liability would attach and damages could be obtained. Thirdly, the operation of December 10, 1952, the air rescue operation to which I have referred, was exclusively a military operation and certainly one which was accomplished by an agency of the Federal Gov-Mr. Chairman, there is a legal and, I believe, a moral obligation for the Government to pay this claim. I, therefore, urge adoption of this amendment.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have before me the hearings and a man named Howell from the Civil Aeronautics Administration was a witness. He said that the Corps of Engineers investigated the claim and that the city of Elko was advised on June 12, 1953, that the actual estimate of the damage was \$20,200.

Now, a lot of the damage, according to the hearings, was not confined to the bad breaks and failed areas where planes broke through or shattered the payement but covered the entire westerly 4,200 feet of the 6,000-foot runway, an area of approximately 70,000 square yards.

Now, the committee felt when it was investigating this matter that it was more than should be considered under the circumstances.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. TABER. I yield to the gentleman

from New York. Mr. ROONEY. Was it not the thought of the committee that this sort of item

does not belong in a supplemental appropriation bill; that it is a matter to which more time should be given by the committee because of the difference between the estimate of the Corps of Engineers in the amount of \$20,000, and the amount requested by the Civil Aeronautics Administration? Was it not principally a matter of deferring this until the committee could get some firm judgment with regard to it?

Mr. TABER. That is a correct picture of the situation.

Mr. YOUNG. Will the gentleman yield for a question?

Mr. TABER. I yield. Mr. YOUNG. Did not the testimony show that there was \$70,000 worth of damage and did it not also point out that the report of the Corps of Engineers was based only upon repair to the surface damage? I have photographs which show holes big enough to hide a man in, as a result of heavy planes landing on the airport.

The longer we delay, the harder it will be upon the city of Elko. They have made temporary repairs, but those were knocked out by the rescue mission on December 10. They have a half million dollar investment in that airport between the Federal Government and the city of Elko, without counting the amount of money that was required to acquire the original 350 acres. It is a legitimate claim under Public Law 105.

Mr. TABER. It is, insofar as it is justified, yes. The CIA engineers found that the damage was not confined to the bad breaks and filled areas where planes broke through but covered the entire area of the 6,000-foot runway, an area of 70,000 square yards. That finding is rather disturbing to me.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield. Mr. ROONEY. Is it not the further fact in connection with this claim in the amount of \$69,000, that the total investment of the city of Elko in the airport originally was in the amount of \$103,000?

Mr. YOUNG. That does not include the cost of the 350 acres that constituted the airport. That is a sizable contribution for a city of around 5,000 population.

Mr. ROONEY. A city how large? Mr. YOUNG. Slightly over 5,000. Mr. ROONEY. We were given to un-

Mr. ROONEY. We were given to understand that Elko was a city of 12,000 population with only four commercial flights a day. Evidently the Civil Aeronautics Administration is not too well acquainted with that area.

Mr. YOUNG. I wish the committee were as generous with their appropriations as they are with estimates of the

population of the city of Elko.

Mr. ROONEY. It is not a question of generosity; it is a question of trying to do the right thing by the taxpayer.

Mr. YOUNG. That is all we are asking, what the Administrator certified.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada [Mr. Young].

The amendment was agreed to.
The Clerk read as follows:

MARITIME ACTIVITIES
SHIP CONSTRUCTION

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Wigglesworth: Page 6, line 11, after the words "ship construction" strike out all of lines 11, 12, and 13, and insert in lieu thereof the following:

For payment of construction-differential subsidy and cost of national defense features incident to construction of four passenger-cargo ships under title V of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1154): for reconditioning and betterment of not to exceed four ships in the national defense reserve fleet; and for necessary expenses for the acquisition of used tankers pursuant to section 510 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1160), and the payment of cost of national defense features incorporated in tankers constructed to replace such used tankers, \$82,600,000, to remain available until expended: Provided, That transfers may be made to the appropriation for the current fiscal year for 'Salaries and expenses' for administrative expenses (not to exceed \$500,000) and for reserve fleet expenses (in such amounts as may be required), and any such transfers shall be without regard to the limitations under that appropriation on the amounts available for such expenses: Provided further, That appropriations granted herein shall be available to pay construction-differential subsidy granted by the Federal Maritime Board, pursuant to section 501 (c) of the Merchant Marine Act, 1936, as amended, to aid in the reconstruction of any Mariner-class ships sold under the provisions of title VII of the 1936 act."

Mr. TABER. Mr. Chairman, I make the point of order that the amendment contains legislation. The language "and any such transfers shall be without regard to the limitations under that appropriation on the amounts available for such expenses" makes it clearly subject to a point of order.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be

heard on the point of order?

Mr. WIGGLESWORTH. Mr. Chairman, the language submitted is the language that was received from the Bureau of the Budget. It seemed to me that if this step was to be taken this was the desirable way to do. However, if the

gentleman from New York insists, I concede that the language in question is subject to a point of order.

The CHAIRMAN. The Chair sustains the point of order on the ground that the amendment does contain legislation.

Mr. WIGGLESWORTH. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. Wigglesworth: Page 6, line 11, after the words "ship construction", strike out all of lines 11, 12, and 13, and insert in lieu thereof the following:

"For payment of construction-differential and cost of national-defense features incident to construction of 4 passenger-cargo ships under title V of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1154); for reconditioning and betterment of not to exceed 4 ships in the national-defense reserve fleet; and for necessary expenses for the acquisition of used tankers pursuant to section 510 of the Mer-chant Marine Act, 1936, as amended (46 U. S. C. 1160), and the payment of cost of national-defense features incorporated in new tankers constructed to replace such used tankers, \$82,600,000: Provided, That appropriations granted herein shall be available to pay construction-differential subsidy granted by the Federal Maritime Board, pursuant to section 501 (c) of the Merchant Marine Act, 1936, as amended, to aid in the reconstruction of any Mariner-class ships sold under the provisions of title VII of the

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes, if necessary.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, the able subcommittee in charge of this bill has effected reductions to the extent of \$766 million. That is a reduction of 40 percent in the total requests considered. The amendment which I now present would restore to the bill 4 percent of the 40 percent which would otherwise be deducted.

I offer this amendment in the interest of national defense. I offer it in order that the funds requested by the President of the United States may be made available for deficiencies in our merchant marine and to help meet the desperate situation confronting ship-yards today which are essential to national defense.

One year ago the Department of Defense estimated an official deficiency in merchant-type vessels to the extent of 214 ships, including 43 large tankers, 6 large passenger-cargo ships, and 165 ships of other types.

The request which the President makes, which is represented by this amendment, presents a modest program of ship construction, not of 214 ships, but of 14 ships, including 10 new, large tankers and 4 new, large passenger-cargo ships, all to be built in our American yards.

Time and time again, Mr. Chairman, the urgent and immediate need for fast, modern, large tankers has been presented by Department of Defense officials to the Congress.

We have been told that those tankers which we now have are fast becoming obsolete, and that they are too slow for modern requirements.

We have been told that there are practically no tankers of any description in our Reserve fleet.

We have been told that we do not have enough tankers on hand to meet an initial mobilization impact.

Listen to the words of our very able Deputy Secretary of Defense, Secretary Anderson. On July 23, 1953, when he was Secretary of the Navy in a letter to the chairman of the Committee on Merchant Marine and Fisheries, he wrote in part as follows:

I feel that I would be derelict in my duties as Secretary of the Navy, if I did not take this opportunity to strongly support the need for prompt construction of new tanker tonnage under the United States flag.

As you are aware, there are no United States flag tankers in reserve either in the Navy or national defense reserve fleet. Construction of military and civilian mobilization requirements, capabilities of existing tanker tonnage, anticipated losses due to enemy action, increased military demand for large quantities of petroleum products, as a result of technological advance in aircraft and other military equipment, and the time required for new construction all lead to the conclusion that the Government should promptly take such steps as are practicable to promote the construction of new tanker tonnage under the United States flag prior to mobilization.

The need for new, fast passenger cargo ships has also been repeatedly emphasized over the years.

I am advised that as of today in terms of trooplift capacity, we have just about 50 percent of what we had prior to World War II.

Why are these four particular ships reguired now?

They are required to replace five ships, each one of which is overage, each one of which is operating under waivers, the owners of each of which are under obligation to replace these ships at this time as a result of contracts with the Government.

Where will these ships be built, Mr. Chairman? They will be built in American shipyards, which are essential to our mobilization base in the interest of national defense.

What is the situation with reference to those shipyards today? It is a desperate picture.

The shipbuilding industry is perhaps the No. 1 industry in this country today in terms of distress. It was designated officially as a distressed industry 2 years ago and conditions are far worse today.

I am advised that not a single commercial contract has been placed in these private yards during the period of the

of the 29 ships

Of the 29 ships on the ways nationwide at this time, all except two will be completed in the next 150 days. There will only be two on the ways after December 31.

Unemployment figures among our skilled workers in this field so essential in time of emergency are becoming tragic.

Let me quote briefly from Admiral Leggett in this connection. In a statement before the House Committee on Merchant Marine and Fisheries on April 28, 1954, he said among other things:

The situation today in our private shipyards is so critical that I have grave concern whether the industry can meet mobilization production schedules.

It is apparent that the industry is not prepared today to meet initial wartime requirements. Our private yards now have less than one-third of the total (employees) in December 1941, and a further drastic reduction is expected later on this year as the privately owned and mariner construction now on the ways is completed.

And Mr. Chairman, note this statement, I am still quoting:

I repeat, the Navy is gravely concerned with the plight of the shipbuilding industry which promises to become the most vulnerable area in our entire preparedness program.

Mr. Chairman, I do not say that all shippards are essential. I do say that it is vital to keep in being all those yards that are essential from the standpoint of national defense.

To allow essential shippards to fold up at this time, to allow their skilled forces of workers to be dissipated and lost is contrary to our entire national defense policy. In fact, it is suicidal.

All this amendment does is to reinstate the Budget request, the request which the President of the United States has made in order to carry out a modest program of ship construction.

I repeat, the amendment restores only 4 percent of the 40 percent which has been effected by way of reduction in this bill as a whole.

I hope, Mr. Chairman, that the House will see its way clear to go along with this amendment in the interest of national defense.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. ROONEY. First let me reiterate what I said yesterday, that I have an amendment prepared exactly similar to the one now offered by the gentleman from Massachusetts. I shall fully support his pending amendment, as will many of us on this side of the aisle. I will go a bit further, though, and propose an amendment to the gentleman's amendment, adding a further proviso, to wit:

Provided further, That all ship construction, reconditioning and betterment of vessels appropriated for herein, be performed in shipyards in the continental United States.

I wonder whether or not the gentleman would have any objection to such an amendment to his amendment. Mr. WIGGLESWORTH. I am in entire sympathy with the gentleman's proposal. The only reason that I did not include it in my amendment was that I was advised that it was unnecessary as it was required under existing law.

Mr. ROONEY. There seems to be some question whether or not this provision is necessary. I have been told that perhaps it is not, but to insure the fact that these vessels would be built in American shipyards in the continental United States and so there is no doubt about it, I am going to offer this as an amendment to the gentleman's amendment. I know he will accept it and vote for it, because we have been in thorough agreement with regard to this subject all along, not only on the American merchant marine but with regard to the American shipyards.

Mr. WIGGLESWORTH. The gentleman is correct.

I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I want to congratulate the gentleman for his fine statement, and I shall support his amendment as amended by the gentleman from New York.

Mr. WIGGLESWORTH. I thank the gentleman.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Maine.

Mr. HALE. I want to compliment the gentleman for introducing this very constructive and necessary amendment and I sincerely hope it will prevail.

Mr. WIGGLESWORTH. I am grateful for the gentleman's support.

Mr. JAMES. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. JAMES. I want to associate myself completely with the statement that has been made by the gentleman from Massachusetts, and to urge support of the amendment he has offered. I would very willingly vote for the amendment to the amendment that has been suggested by the gentleman from New York [Mr. ROONEY].

Mr. WIGGLESWORTH. I thank the gentleman from Pennsylvania.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from California.

Mr. SCUDDER. I wish to associate myself with the gentleman's amendment. It is a very worthwhile amendment, and I believe the safety of our country makes it necessary to have a proper merchant marine.

Mr. WIGGLESWORTH. I thank the gentleman.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I would like to compliment the gentleman on his very fine statement. There is one point that could be made. If we can keep our mobilization base within the confines of the continental United States, we will then

be able to have a potential that will not be as vulnerable as we have been in building our mobilization bases in Europe and in other places in the world.

Mr. WIGGLESWORTH. I thank the gentleman from Maryland, who has had such wide experience in the field of national defense.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I also want to congratulate the gentleman from Massachusetts on the comprehensive statement that he has made. He has put his finger on the real necessity for his amendment. First, that there is need for ship construction.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

(By unanimous consent, at the request of Mr. Wolverton, Mr. Wigglesworth was granted 2 additional minutes.)

Mr. WOLVERTON. The gentleman has put his finger on the two important features that sustain the amendment he has offered; namely, that there is need for the construction of these ships; and, second, there is need for this work in the shipyards of this country if they are to be maintained and their organizations retained in this all-important work. Too frequently we have seen our shipyard organizations dispersed as a result of lack of employment, and this creates a situation that is detrimental to our national defense. It is highly detrimental to our best interests to have organizations such as that which carries on our shipbuilding industry dispersed into other industries. The shipyards abroad are working overtme. They have a tremendous schedule of work. Why our shipyards should be left in the condition they are at the present time is not understandable to me.

I am in full accord with the amendment the gentleman from Massachusetts [Mr. Wigglesworth] has offered and the amendment to that amendment that has been offered by the gentleman from New York [Mr. Rooney].

Mr. WIGGLESWORTH. I thank the gentleman for his contribution.

Mrs. ROGERS of Massachusetts. Mr Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from Massachusetts.

Mrs. ROGERS of Massachusetts. It is entirely proper and absolutely necessary that we should consider the building of ships in our own country instead of in other countries.

Mr. WIGGLESWORTH. I thank my colleague from Massachusetts.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from California.

Mr. AlLEN of California. Mr. Chairman, I think the gentleman should point out that this program involves an appropriation of some additional \$70 million. But its expenditure would require that industry contribute on its part in the neighborhood of \$100 million in the joint project that would be undertaken.

Mr. WIGGLESWORTH. I thank the gentleman for his contribution.

Mr. CLEVENGER. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Chairman. this amendment was offered in the full committee and was defeated. It is a little over 2 years ago—I think this is the third year-since the merchant marine section was transferred over from the Subcommittee on Independent Offices. At that time there were 35 socalled Mariner ships under contract. They cost, in round figures, about \$10 million each. They were built in seven shipyards from identical plans, and the cost varied as much as \$2 million per ship.

On page 699 of the hearings there occurs this colloquy between Mr. COUDERT and Mr. Rothschild, and I asked one question:

Mr. COUDERT. How many of those ships have been sold to private operators?
Mr. ROTHSCHILD. Three of them, sir.

Mr. COUDERT. Three out of 35? Mr. ROTHSCHILD. Yes. None prior to my

incumbency.

Mr. CLEVENGER. One has been wrecked.

Mr. ROTHSCHILD. Yes.

What is the situation that faces us now?

This bill carries a request for millions of dollars to convert these new ships that have never carried a cargo-31 of them have never been loaded, as far as I know-converted into shape that they might be sold to some shipyards for half what they cost.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I would like to use

a little bit of my time.

It is evident that the temper of the House is such that it has forgotten all the election promises of 2 years ago and the balancing of the budget or an honest treatment of the people's money. That is as far from realization here as it could well be.

I ask some of you if you were on this committee and you had this bundle of dirty laundry dumped in your lap, would you rush to appropriate \$82 million more to the same crowd that built these Mariners, or misbuilt them?

Just what are we expected to do? Just appropriate in faith, hope, and charity? Is this, after all, a WPA bill to put people back to work? And the cost of them is double what it is in western Europe, and more than that if you compare costs with northern Europe or Japan.

I want to give you just a little idea of the cost of operating these ships, the cost of subsidies; I cannot give the whole picture in 10 minutes, but a few figures, perhaps, for 4 or 5 new liners, these combined passenger-freight ships. I want to give you the history of the Brazil, the Argentina, and the Uruguay of the Moore-McCormack Lines.

Subsidized cost, \$10,129,000. Subsidized costs per voyage, \$405,195.

Subsidy accrual-I take that to be a credit earned against the ship-\$181,000.

The United States. You know she cost \$75 million. The present owners have \$20 million in her and we are negotiating to get them to pay \$9 million more. I asked for the subsidy figure for 1953 but got 1952 which was worse.

The subsidy accrual was \$2,985,000. The subsidized cost per voyage of the United States was \$399,906. For the Independence and the Constitution of the American Export Lines, the subsidized cost per voyage was \$322,460 and the total subsidized costs \$9,641,326.

Is it not time that someone be asked to investigate the operations of the merchant marine?

I should like to refer to the testimony of Mr. Rothschild in which he admitted that some \$3.50 mine peril pay costs were carried indefinitely, for 3 or 4 years, even though the conditions had been remedied. It was only in December last that some of it was taken off, but I have not seen it reflected in the budget. I will take his word for it.

Many of you may have heard a program the other night about the addition of a tanker to the Cities Service fleet steamship Alton Jones in New York which carries 141/2 million gallons of oil, as much as three ordinary commercial tankers. Is anyone going to stand up here and contend to the Members of the House that our oil companies are not sufficiently prosperous to build more ships like that, even in American shipyards? We must give them a new tanker for two overaged tankers of theirs. Just what right has an Appropriation Committee got, legal or morally, to deal with the American people's money in any such fashion?

It is a strange thing, but we can build a motorcar cheaper in the United States than any place else in the world. We can build most everything in heavy industry cheaper. But why is it that we cannot build a ship for less than twice as much as what it would cost in any other country? There must be something wrong somewhere. There must be something wrong in the negotiations. there must be something in the American process that is wrong.

If we are going to be competitive in this world, it seems to me we ought to cut out all of the embroidery and get down to the business of building ships. We are not helping the American merchant marine by pouring more millions into such a trap as this. We are just helping the American merchant marine to commit suicide if we pursue such a

Mr. COUDERT asked Mr. Rothschild:

Fundamentally, were they not really built as sort of a boondoggling proposition to keep shipyards going?

Mr. ROTHSCHILD. As I understand it, sir, their building was discussed and induced by the outbreak of the Korean incident.

That was his answer.

Mr. COUDERT. Was it not a fact that the distribution of the construction contract was on some sort of a pro rata national basis and and not on the basis of the lowest bids?

Mr. ROTHSCHILD. They were built in 7 different yards-5 ships each in 7 different yards.

And they were built from identical plans and the costs ran from \$73/4 million

to \$10½ million each.

What kind of an operation are we expected to engage in as an Appropriations Committee? We run a good laundry down there in that committee and we always have, we wash with Ivory soap everything, but we do not guarantee it not to shrink.

A moment ago a gentleman spoke of this as being only 4 percent of the savings. There has been nothing saved in this bill up to this time. The spenders have been in control on this floor. Once again I want to remind you that within 2 or 3 weeks you will be out on the platform again, you will be campaigning for Eisenhower, or most of you will, which would justify your being re-turned to this House. Just how are you going to square an unbalanced budget? We have been running wild all this year, and we are coming back now to supplementals, always saved to the last. Is there a man here that did not promise to balance the budget? I know it is almost useless to appeal to you, in the temper you are in, but I am not ready to embark on a WPA in connection with ships or anything else. I think this country is fundamentally stronger than that. I want to remind you that when I came down here there was a school man from Gary who thought it was incredulous when he was told that they had the then President in the middle of a swift stream. Well, they got the next President in the middle of the same swift stream and in the next 7½ years he spent more money than all of the previous Presidents put together. Now we have a man stronger and wiser than either of them, Dwight D. Eisenhower, and I want to get him out of that swift stream and get him on solid shore with a balanced budget, sound fiscal policies, the same forces are playing upon him and he needs the support of solid citizens of both parties.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, at the outset I must observe that my good friend and chairman, the very sincere gentleman from Ohio [Mr. CLEVENGER] has been utterly consistent over all these years insofar as any spending of taxpayers' dollars is concerned. It is all right to be consistent, and it is all right to be conservative but not to the extent that the distinguished gentleman would bring us. Now, today you observed that he was against the census of business, manufactures, and mineral industries which has been demanded by businessmen and chambers of commerce throughout the country, and which was so eloquently pleaded for here by a number of Members on the majority side of

the aisle. He was against aviation, and now he is against the American merchant

marine

First, let me explain the amendment which I shall presently offer and which is now at the Clerk's desk. It is a perfecting amendment to the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH]. It provides that with regard to whatever moneys are appropriated herein for maritime activities, for the construction, reconditioning, and betterment of vessels, that the work shall be performed in American shipyards in the continental United States. My reason for offering this amendment is this: It has come to my attention that at the present time there is being built or about to be built in Communist Yugoslavia two mine sweepers out of funds of the Federal Operations Administration off-shore procurement program. I do not feel that we should use the American taxpayers' moneys for the construction or reconditioning of these vessels at any shipyard other than in our almost idle shipyards in the continental United States. now have gross unemployment in them. They are working at such a low capacity that it is utterly dangerous to our national defense. They tell us that in time of war our working force can only be expanded in the area of 12 to 14 for 1. In our hearings it was pointed out that instead of having a minimum required work force of 36,000 skilled mechanics at all times in our shipyards we shall be down to about 1,200 or 1,500 in 1955.

I intend to insert later at this point some of the testimony given on June 16, 1954, by Maritime Administrator Louis Rothschild to the Subcommittee on Appropriations headed by my friend, the

gentleman from Ohio.

Mr. ROONEY. First let me say, thank God, and the wisdom of Congress for the 1936 Merchant Marine Act, otherwise the American merchant marine today would probably consist of three whaleboats.

Mr. Administrator, the shipbuilding business is one dependent upon highly skilled

employees, is it not?
Mr. Rothschild, Yes.

Mr. ROONEY. These shippards have a great deal to do with the economy, not only of our Nation, but of the communities in which they are located?

Mr. ROTHSCHILD. Yes.

Mr. ROONEY. They employ a great many people, and the payrolls in those yards and the work done there have a great effect upon the local economy as well as the national economy, does it not?

Mr. Rothschild. I think that is correct.
Mr. Rooney. In the event of a national emergency it is imperative that we have these yards ready with skilled workers; is

that correct?
Mr. ROTHSCHILD. May I comment on that a moment. sir?

Mr. ROONEY. Am I correct?

Mr. ROTHSCHILD. "Yes" is the answer to the question.

Mr. ROONEY. Do you want to elaborate on that?

Mr. ROTHSCHILD. If I may.

There has recently been made and distributed a report on the merchant marine, the first one, by the way, which has been done since 1936. It is a joint effort of the Office of the Under Secretary of Commerce for Transportation and the Maritime Administration. In that we quite carefully examine the shipbuilding potential of the

country, and we find that in order to have enough people who know how to build ships when we need them in time of war we must not let our in-between war work force get below 36,000 people, because a working force can only be expanded in the area of 12 to 14 for 1 in time of war.

Mr. ROONEY. And to permit it to go below that would be dangerous to the very life of our Nation, would it not?

Mr. ROTHSCHILD. That is correct.

Mr. Rooney. Particularly in these turbulent and chaotic times?

Mr. Rothschild. At any time, and we are below that figure today.

Mr. COUDERT. I am always interested in the observations of the gentleman from New York.

Mr. Rooney. A great many of my people over in Brooklyn, and in the Red Hook section, rather than those on Park Avenue, would thoroughly understand this. All of the shipyards in Brooklyn are located in my district. I know what it means to have a dead waterfront. I know what it meant years ago to see the piers and no ships at work.

Mr. COUDERT. The second question of the gentleman from New York to the Administrator that raised the importance of maintaining our shipping industry, which he has pointed out with his usual dramatic eloquence—well, we have a steel industry, we have an automobile industry, we have other highly technical mass-production industries, large-scale industries, which do not require a subsidy.

NECESSITY FOR SUBSIDIES

Mr. Administrator, why is it that the shipping business is so wholly dependent upon subsidies? Is it that the shipping 'ndustry has allowed itself to become antiquated and obsolescent and has failed to develop new techniques and methods of operation and construction so, unlike the automobile industry, the steel industry, and others, they are unable to compete with foreign competition?

Mr. ROTHSCHILD. There are two easy answers to your question. No. 1 shipbuilding is not a mass-construction industry that can be compared to the others that you mentioned. Ships are built in small numbers. Even a large shipbuilding contract is for small numbers of ships by comparison with automobiles.

Mr. COUDERT. But a ship is a large thing in itself.

Mr. ROTHSCHILD. But they are handmade. Mr. ROONEY. And there are many and varied skills involved in the building of a ship, some of them used at one point of construction and not used at another point; maybe down toward the end of construction when it comes to the fitting of the ship, you do not have 90 percent of those who had worked on the ship when it was originally started. Is that correct?

Mr. ROTHSCHILD. May I answer the second part of Mr. COUDERT'S question? Mr. ROONEY. Wait just a minute. I have

Mr. Rooney. Wait just a minute. I have one hanging fire and I would like an answer to it.

Mr. Rothschild. There are peaks and valleys in the shipbuilding industry.

To answer Mr. Rooney's question, there are varying skills involved in the building of a ship. As to how they progress and what percent of them is involved at one period or another, I am not qualified to answer.

Mr. Rooney. Mr. Administrator, other nations subsidize their merchant marine, do they not?

Mr. ROTHSCHILD. Yes.

Mr. Rooney. Please address yourself to that subject and tell us what these other nations do—generally speaking.

Mr. ROTHSCHILD. They use all of the devices which are used by governments in sub-

sidy areas, Mr. ROONEY. They give financial aid in the matter of supplying funds; they pay subsidies on the construction side; they give depreciation schedules far greater than American depreciation schedules, and they do various other things in that same general area—not all nations do all of them, but some nations do all of them.

Mr. ROONEY. Is it not worth some dollars and cents, insofar as payment of an American operating subsidy is concerned in connection with the liner *United States*, to have that liner, the queen of the American merchant marine, on the high seas visiting foreign ports? That is worth something that cannot exactly be measured in dollars and cents, which adds greatly to the prestige of this Nation in these times; is that not correct?

Mr. Rothschip. That is absolutely correct, and it is conceivable to me in time of war the *United States*, which can carry as many troops as it can, might be even more valuable than any war vessel which we own

valuable than any war vessel which we own.

Mr. ROONEY. Exactly. Now, Mr. Administrator, I have examined your statement, and since I am one who in my 10 years on this committee has never liked the words "estimated at," or "approximately," I must say that I find that all of your figures are broad estimates; they are all in rounded millions or half millions, and I suggest you give us further definite facts.

This record should be made to contain the real McCoy when it comes to these figures so we will all know with regard to each of them whether or not they are firm figures, or broadside estimates amply padded

upward.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Ohio.

Mr. CLEVENGER. The gentleman said a moment ago that I was against aviation. The gentleman has served on the committee with me for several years and knows that we were doing things long ago for American aviation, for safety in the airways and on the airfields, and for the expenditure of money where the traffic was heavy. He knows he is unjust when he made the statement that I was against aviation.

Mr. ROONEY. Perhaps I was a little too loose in the choice of my language, I will say to the distinguished gentleman from Ohio. I did not mean to be unkind to him. The distinguished gentleman just does not want any money added to this bill although the President of the United States on yesterday as I informed the House, told the leadership on that side of the aisle that they must restore \$93 million for maritime activities and for aviation.

Does the gentleman mean to say that the President of the United States yesterday morning down at the White House in talking to his legislative leaders was advocating a WPA project for the American merchant marine?

Mr. CLEVENGER. Not being present,

Mr. ROONEY. I made a similar statement here on the floor yesterday, shortly after noon, and it was verified by the press in all the afternoon papers. This morning's newspapers again stated that there was such a conference at the White House and that the position taken by the President was that these funds must be added to this bill, not in the other body, but in this House. Does the gentleman mean to say that the President was the Pr

dent is engaged in boondoggling when he advocates the expenditure of \$82,-600,000 for maritime activities?

Mr. CLEVENGER. I did not say so and the gentleman cannot put words

in my mouth.

Mr. ROONEY. When the gentleman opposes this pending amendment which the President has asked for, does he not, in effect, accuse him of starting a boon-

doggling project?

Let me say to the gentleman with regard to his ill-advised remarks on labor in the shipyards and his statement that he does not understand why we cannot build ships at the same cost at which they are built in foreign shipyards: I daresay that if the gentleman inquired around, he would find that every other Member of this House knows the answer to that question. They do not pay the wages in foreign shipyards that are paid in American shipyards. Our standard of living, thank God, is higher and entirely different from what it is in foreign countries. Is there anything very wrong about that? So what are you going to do about it? Are you going to stop building our own ships? I understand that at the present time in Great Britain alone there are about 550 ships on the ways. How many ships are on the ways in the United States? How is one supposed to feel when he sees, as I did on television last night, the brand new luxury Italian liner Cristoforo Colombo? I give Italy and the Italian people great credit for building that liner, which has just come off the ways and which is making her maiden trip. But what has the American merchant marine outside of the liners United States, America, Constitution, and Independence? Why is it that we carry only a small share of the trans-Atlantic passengers?

Does the gentleman not think it is worthwhile to have the American flag flying over representative vessels putting in at ports of call throughout the world, for American prestige? Does he not think that this is worth something in dollars and cents at a time when the world is so chaotic and when we have such dangerous international complications as have developed within the last

year?

Would the gentleman defy the President, or is he going to be so bold and reckless, as I suggested here yesterday, as to stand up and support the President of the United States?

Mr. PELLY. Mr. Chairman, will the

gentleman yield?

Mr. ROONEY. I yield to the gentleman from Washington.

Mr. PELLY. The gentleman mentioned the figure 500 as the number of ships being built in English shipyards. Is it not true that 120 of those are being built for Americans?

Mr. ROONEY. They are being built with American money, there is not a bit of doubt about that.

Yesterday, in connection with the American merchant marine, I said you would be decimating it if you refused these ship-construction funds. I fear that that was an understatement so far as this situation is concerned. I should have said you would be destroying the American merchant marine.

Mr. PELLY. Is it not true that the foreign shipyards have a 2 years' backlog of work, when by October we will have only 3 ships under construction in our own shipyards?

Mr. ROONEY. I believe that is so, may I say to the gentleman, and I compliment him on being interested in unemployment in the shipyards, as he

should be.

Mr. Chairman, I urge the adoption of the pending amendment of the gentleman from Massachusetts [Mr. Wiggles-WORTH] and the perfecting amendment which I shall offer.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes, 5 minutes to be reserved to the gentleman from Missouri [Mr. Cannon].

The CHAIRMAN. Is there objection to the request of the gentleman from

New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. Tollerson].

(Mr. Younger, Mr. SEELY-BROWN, Mr. SCUDDER, Mr. DORN of New York, Mr. ALLEN of California, and Mr. Pelly asked and were given permission to yield the time allotted to them to Mr. Tollerson.)

Mr. TOLLEFSON. Mr. Chairman, let me first express my appreciation to those Members who have yielded their time to me, as I did hope I would get more than the short time allotted to me to say something about this item in the appropriation bill.

I am satisfied that the gentleman from Ohio, who is the chairman of the subcommittee handling this matter, has no desire to destroy or kill the American merchant marine. I feel that he does not have complete understanding of the American merchant marine.

Mr. TABER. Mr. Chairman, will the

gentleman yield?

Mr. TOLLEFSON. I yield. Mr. TABER. Does the Does the gentleman realize that this amendment, and the operation of the subsidy system, is rapidly driving the American merchant marine off the high seas?

Mr. TOLLEFSON. No; I do not.

Mr. TABER. Well, the statement I have made is correct.

Mr. TOLLEFSON. I would dispute the gentleman's word, or rather the position that he has taken with respect to that argument. Let me discuss this matter just a moment. I started to say that I am satisfied that the gentleman from Ohio does not understand that the American merchant marine is the fourth arm of our defense, and is so considered by the military authorities of our Nation. At the conclusion of World War II the admiral in charge of naval operations made the statement that if it had not been for the American merchant marine fleet, the Navy never would have been able to accomplish its mission in Europe. You do not fight a war without a merchant fleet. The Navy does not carry the men and the materials and guns and whatnot to the farflung fighting fronts overseas. Those items of war are carried by the American merchant marine. The military recognizes that

fact. In recent months the National Security Council, the Office of Defense Mobilization, and military representatives have made it clear that there is-

First. A serious deficiency of tankers

in our reserve fleet.

Second. They have made it clear that we need some high-speed new tankers which might have an opportunity to evade the attacks of submarines operated by the enemy.

I do not know whether the House knows it, but today Russia owns six times as many submarines as Germany did at the outset of World War II.

Third. The agencies that I have mentioned have indicated they recognize the plight of the commercial shipbuilding

yards in the United States.

My colleague, the gentleman from Massachusetts, made reference to a statement made by Admiral Leggett to the effect that the private or commercial shipyards promise to be the most vulnerable area of our whole defense program. Now, Admiral Leggett did not say that the most vulnerable area was the possibility of the shortage of battleships, tanks, and guns and so forth. He said it was the plight of our commercial shipyards. The President recognizes that and so he sent to the House through the appropriate agencies two tanker bills. One went to the Committee on Armed Services and one to the Committee on Merchant Marine and Fisheries. Both of those tanker bills were approved by the House without a single negative vote. They passed the House without a single negative vote on the theory that we needed those tankers as a matter of national defense. Some reference has been made to operating subsidies here and to construction subsidies. Let me say with respect to the tanker bill of the Committee on Merchant Marine and Fisheries there is not 1 penny of construction differential subsidy. All that the Government is doing is buying for about one-third the cost of construction these tankers, from operators who agreed to build new high-speed tankers. There is not 1 penny, as I have stated, of construction differential subsidy in that bill.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. SHELLEY. And contrary to the statement previously made, these tankers which are to be turned in are not overage, but rather are underaged tankers, is that not correct? And they also have some useful life remaining in them and will be held in reserve.

Mr. TOLLEFSON. That is correct. They have at least one-half of their useful life left in them. The Navy testified before our committee that they will be a welcome addition to the reserve tanker fleet.

Some reference has been made to operating subsidies. The gentleman from Ohio made some mention of that. Let me say that there is not 1 penny of operating subsidy in this bill nor in this amendment. There is no operating subsidy in connection with the construction of these ships. So that argument is a diversionary argument, and is merely a straw man. The gentleman from Ohio criticized the Mariner construction

program. I am quite amused at that because those mariners were built at a cost of \$350 million, and the program was sponsored by the Committee on Appropriations itself. Those mariners were not built under legislative authority emanating from the appropriate legislative committee of the Congress, but they were built under a rider attached to an appropriation bill, and our committee has nothing whatsoever to do with it.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. ALLEN of California. Is it not true that under those circumstances the 10 tankers and the 4 passenger ships that will be built will be built by private industry suiting the vessels to the need of the trades rather than being built by the Government, as was the case with the Mariners?

Mr. TOLLEFSON. That is correct. Had the mariner program come through the proper legislative committee, I am satisfied we would have had a mariner construction program that would not receive the criticism it is receiving today. But I want to emphasize the fact that that was a matter that came out of the Appropriations Committee, not out of the appropriate legislative committee of the House.

I want to say a word about the four liners that are proposed in the bill under this item. Those liners must be built under a contract which the operators today have with the Government. The present liners are about 24 years old and 2 of them are being operated today under waivers from the Coast Guard because they do not meet the safety requirements for operating ships at sea. The two Grace Line vessels do meet Coast Guard requirements. Recently the Coast Guard have said they did not know how much longer they could continue to waive safety requirements. As I have stated, the Government has entered into a contract with these operators whereby the operators are compelled to replace the four liners. This is the means by which they hope to replace them. These liner operators will put up 55 percent of the construction money.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. McCORMACK. There are certain indisputable facts that prompt the adoption of the Wigglesworth amendment, and I hope also the Rooney amendment. First, the private shipyards in the country are in bad shape.

Mr. TOLLEFSON. That is correct.
Mr. McCORMACK. Second, the President recommended it himself.

Mr. TOLLEFSON. That is right.

Mr. McCORMACK. Certainly the President took into consideration not only budgetary conditions but the necessity of trying to do other things that will help our private shipyards and at the same time inure to the benefit of our national defense.

Mr. TOLLEFSON. That is correct. And the Congress itself has acted upon the two tanker bills.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to the gentleman.

The CHAIRMAN. Without objection, it is so ordered.

Mr. TOLLEFSON. I thank the gentleman.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. I want to subscribe to the remarks of the gentleman. I realize he knows this problem thoroughly. I agree particularly with the remark which I think many Members have overlooked, that the merchant marine is the fourth arm of our national defense.

(By unanimous consent, Mr. O'NEILL and Mr. DEVEREUX yielded the time allotted to them to Mr. Tollefson.)

Mr. TOLLEFSON. There was one thought that I neglected to mention, and that is a simple one. If the Congress subscribes to the theory that our American marine fleet is the fourth arm of defense-and we need one indeed-and that has been the philosophy of this Congress in the 1936 Merchant Marine Act and it was the philosophy expressed in the 1920 Merchant Marine Act-if the House subscribes to that philosophy, it must come to this conclusion: If we are going to have an American merchant marine, there is only one way we can have it, and that is by Government assistance. We cannot build ships as cheap as they can be built in foreign shipyards. Therefore, we need a construction subsidy. Nor can we operate our ships as cheaply as foreign nations can, and therefore, we must have operation subsidies. The Congress has recognized that. Why should we abandon that philosophy now? It has proven itself to be worth while.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New York.

Mr. COUDERT. The gentleman has just referred to the fact that the Congress had adopted a policy, and in support of that policy the Congress has authorized and voted subsidies.

Mr. TOLLEFSON. That is correct.

Mr. COUDERT. Would the gentleman mind telling the House what, if anything, either his committee has recommended or the Congress has done beyond mere subsidy to compel improvement in efficiency and economy in the operation of construction of ships?

Mr. TOLLEFSON. From the standpoint of legislative action, of course we have done nothing to compel any operating economies. But our committee constantly insists upon the Maritime Administration doing so.

Mr. COUDERT. Has any Government agency to the knowledge of the gentleman from Washington done anything to bring about economies and improvement in operations? Or done anything beyond recommending more, bigger, and better subsidies?

Mr. TOLLEFSON. From the testimony before our committee I am convinced that the present Maritime Administration is constantly stressing the need for economy in operation of the American merchant marine.

Mr. SHELLEY. Mr. Chairman, will

the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from California.

Mr. SHELLEY. In answer to the question just put by the gentleman from New York [Mr. COUDERT], the answer is that the General Accounting Office has come up with constructive criticisms in the operation of the entire program which have been accepted.

The CHAIRMAN. The gentleman from California, [Mr. Shelley] is recog-

nized.

(By unanimous consent, Mr. Condon and Mr. Yorry yielded their time to Mr. Shelley.)

Mr. SHELLEY. Mr. Chairman, I must congratulate the Appropriations Committee on exceeding the expectations of the distinguished gentleman from New York [Mr. ROONEY] when he said on the floor of the House the other day that the committee under its present leadership would not approve enough money to build three whaleboats. In comparison with that expectation they have been absolutely munificent in approving \$11,-100,000 for four Liberty ship conversions under this bill. But, when we compare this puny appropriation with the very modest request by the Maritime Administration for \$82,600,000, or with the far greater needs of our shipping lines, our reserve fleet, and our shipbuilding industry the committee has done next to nothing.

Mr. Chairman, comment was made that only 3 out of 35 Mariners have been sold. That is true because as soon as the Mariners were finished they were immediately taken over by the United States Navy for operation in the hauling of supplies to Korea. It must be remembered that the Mariners were started just as we got into action in Korea. Those finished were turned over to the Navy for 6 months' operation on test runs for the hauling of troops, equipment, and supplies on all of the seas of the world.

Only three have been sold because since the time bids for their sale were called for one company on the Pacific coast asked for the three. Several other companies are now negotiating for the purchase of Mariner vessels with modifications to meet the requirements of the trade routes in which the vessels will be used.

Comment was made that none have ever been loaded. The fact is that as fast as they have been finished they have been outfitted and made ready for sea and used by the military and they have proved to be very valuable ships

for military purposes.

As to the four passenger vessels—the companies which operate these subsidized vessels are required by the law enacted by Congress and now referred to as the Merchant Marine Act of 1936 to replace their vessels when they are 20 years of age, and what the committee

proposes to do is to renege on a Government contractual responsibility. They are under contract with us-the Government of the United States to do what the Wigglesworth amendment will allow to be done. By adopting the amendment we are keeping our part of the contract. What, in heavens name, is wrong with

We have not the passenger ships. During World War II we paid to the British Government \$125 for every commissioned officer and \$100 for every enlisted man who traveled on the Queens. We paid over a billion and a quarter dollars to the British Government because we did not have the passenger ships. A board composed of representatives of the Departments of Commerce, Navy, Army, the Munitions Board, and other governmental agencies immediately after World War II made a report emphasizing the shortage of passenger vessels available to the military in the event of another war and calling upon the Congress to make available money and a program for the building of such vessels so that the situation in which we found ourselves at the outbreak of World War II would not occur again.

The Merchant Marine Committee and the Federal Maritime Administrator are endeavoring to correct that situation at the lowest possible cost to the American taxpayer and in complete conformity with the law as it exists and as it has existed.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield. Mr. SEELY-BROWN. Is it not true that that program is less costly to the American people than the old program operated on the boom-and-bust concept?

Mr. SHELLEY. The gentleman is absolutely correct. Here we are engaging in an orderly replacement program whereby we take out of service old and obsolete vessels and build in their place a new vessel, modern for military conversion and usage—fast and able to travel without convoy—outfitted to handle passengers in peacetime or troops in wartime comfortably and safely. We keep our commercial sealanes open and meet a defense need with a graduated program instead of repeating the mistakes of World Wars I and II. What were those mistakes? They have been mentioned on this floor many times—the country found itself twice in a generation involved in world wars and without a merchant marine. Friendly countries couldn't help us. We had to build at any price any kind of vessel to meet the immediate emergency. As a result we boomed the cost up and paid \$10 instead of \$1, and we busted the fleet later because they did not meet commercial needs. I think that is what the gentleman means, and he is absolutely correct. This approach is the logical way to prevent a recurrence of that type of situation.

The CHAIRMAN. The gentleman from Iowa [Mr. Gross] is recognized.

Mr. GROSS. Mr. Chairman, the gentleman from New York [Mr. ROONEY] and others on the floor this afternoon have expressed their indignation—and justifiably so-that ships are being built in foreign yards while our yards remain

I have protested that situation on the floor of the House as the Members well know. I will further say to the gentleman from New York that I have protested this sugar-coated proposition of off-shore procurement repeatedly on the floor of the House; and I will say to him and to others who have voted for these foreign giveaway programs in the past, that as you continue to vote for those programs in the future you will find your money and the American merchant marine going where the woodbine twineth and the whangdoodle whangeth.

The CHAIRMAN. The gentleman from New York [Mr. COUDERT] is recognized for 1 minute.

Mr. COUDERT. Mr. Chairman, the distinguished gentleman from Massachusetts, and my good friend from New York [Mr. ROONEY] very frankly stated what this operation is. This is simply a relief bill for shipyards. Now, I have no objection to shipyards being put on relief. It may be necessary to have shipyards, but I think probably a cheaper way than putting shipyards on relief that are not able to compete with foreign yards would be to set up schools in which to maintain the mechanics and operators who have no ships to build. All sorts of ways might be considered.

Frankly, my criticism of the whole program is that I have not seen a constructive suggestion in the 8 years I have been here for improvement in the method of the construction of ships. Here we sit in the Congress merely doling out bigger and better subsidies to maintain shipyards that may be for all I know or any of us in this committee knows completely obsolete.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina

[Mr. Bonner].

Mr. BONNER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts. If there ever was a time in the history of this Nation when we need to build vessels it is now.

This is not what has been referred to as a WPA program for shipyards. This is a fundamentally sound program. It has a great deal of merit. We need the four passenger ships to replace ones that are practically worn out.

In the committee we have taken particular care to see that there is no subsidy in connection with the tanker bill if it is carried out as the conference report has been agreed on, and I am sure it will be carried out in that manner in the contracts let by the Maritime Commission

Many in this House never stop to think what would happen to the American economy if it were not for the American merchant marine.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, this shipbuilding program should be initiated immediately. It is necessary to pick up declining employment in the Nation's shipyards. This is particularly true on the west coast where shipbuilding is almost nil and where ship repair and modernization are at a new low. A deplorable condition frought with the hardship born of unemployment.

If we are to preserve the skills peculiar to shipbuilding and the all important know-how we must act with celerity and

dispatch.

While the immediate and to be served is important there are other basic reasons that cannot be contravened or disregarded.

A well organized smoothly functioning merchant marine is indispensable to our national economy if we are to develop and hold an overseas market to absorb the great productive capacity of this country. This can be directly translated into jobs in our automobile, refrigerator appliance and other plants producing durable goods. Jobs here are vitally important.

Agricultural surpluses can find markets among the growing hungry populations of the world but we must have ships to carry them overseas.

Our commerce must not be at the mercy of nations no matter how friendly who control world shipping. We must have American ships to maintain the freedom of the seas and our proper place among the nations of the world.

As a member of the Armed Services Committee of the House of Representatives I am mindful of the pertinent and compelling reasons for a vigorous, stable merchant marine as an integral part of our Defense Establishment. Two world wars have taught us the value of having ships, ships, and more ships.

A healthy merchant marine is more than just ships. It is the terminals, docks and the ancillary services used by ships. We need the yards and docks to build, repair and maintain a fleet of vessels, too.

We must, above all, preserve the men with the skills peculiar to the sea be it as sailors, radio operators, ships' officers or engine room crews. A knowledge of electronics is as important on sea today as a knowledge of cordage. The art of building ships can be lost unless we continually exercise it.

That is why, Mr. Chairman, I said in the beginning that we need a shipbuilding program now to pick up the waning employment in our shipyards.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, it is rather astounding to me this afternoon to sit here and hear some of the statements that have been made by members of the Appropriation Committee as to the lack of necessity for a merchant marine or a shipbuilding program. I wish that those who have the responsibility of deciding these questions from an appropriations standpoint would take time out and visit shippard localities and see for themselves why it is so necessary to keep together shipbuilding organizations. There is no industry in this Nation of ours that requires so many varied types of craftsmen as is the case in the

building of ships.

You cannot train such workers overnight. They require long years of apprenticeship and training, and the failure to do that creates a situation which was mentioned by the gentleman from Connecticut [Mr. Seely-Brown]. A failure to keep up an efficient working force in our shipyard industry creates a boom or bust situation insofar as a working organization is concerned, resulting in the industry being busted, weak, and inefficient for lack of organization when a real emergency arises that needs ships built in a hurry.

This idea of cutting down appropriations for ships, both naval and commercial, with the idea that it saves money is an unwise policy. It is pennywise and

pound foolish.

How well I remember the situation that confronted us when World War I broke suddenly upon us. It caught us with neither an adequate Navy or merchant marine to carry our troops and supplies to Europe. Our shipbuilding industry was at a low ebb. We had to send out an S O S for workers to build ships. Shipyards were without adequate organizations to make even a nucleus around which an organization could be met. The call for men to work in shipyards went far and wide. It was desperate because the need was desperate. It brought in men from all over the country who were attracted because of the high pay that was offered. They were accepted regardless of whether they knew anything about ship construction. Hatters, waiters, trolley car operators, shoemakers, tailors, bakers, butchers, candlestick makers. The variety was such that it would be impossible to describe them all.

Could these men build ships? Of course not. They had to be trained over long periods of time even for the smallest task. All of the time they were being paid the high wages. This added millions upon millions of dollars to the cost of the ships. And, not only was the money lost the only result. Think of the delay that was caused while all of this training was going on. The net result was a tremendous loss of money and a great increase in cost of every ship.

Did we learn our lesson from all of this? I regret to say we did not. When World War II came upon us we were again caught without an adequate number of either fighting ships or merchant marine. Whereupon we had to go through the same process I have described with respect to World War I. In addition we had to charter ships of foreign nations to carry our troops and supplies while we were busy building the ships which we should have had, but, which we did not have. Expense added to expense as a result of our pennywise pound-foolish policy.

And, now today, notwithstanding the lessons of the past and the present urging of President Eisenhower for an adequate shipbuilding program, the Committee on Appropriations comes before us denying the necessity for a shipbuilding program. And, the committee takes this attitude in defiance of the wishes of President Eisenhower. How long will it

take for some people to learn? Ordinarily it would be appropriate to send this bill back to the committee, but it would accomplish nothing. Therefore it is necessary for us on the floor of the House to amend this bill so it will provide a shipbuilding program, at least the start of such a program.

For the reasons I have given, and many more I could give if time permitted, I will support the amendment now under consideration that provides for the building of 4 passenger-cargo ships and 10 tankers. This, together with some repair work on our ships, will provide approximately \$170 million worth of work for our shipyards.

If this amendment is adopted in the House and concurred in by the Senate it will preserve our shipbuilding industry and bring joy to the hearts of our ship-

workers and their families.

I appeal to the House to adopt this amendment by such a large majority that there will be no doubt as to the policy this House approves.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr.

CANNON].

Mr. CANNON. Mr. Chairman, the House cannot always be wise, the House cannot always be right, but, Mr. Chairman, it can be consistent.

This House is overwhelmingly committed against subsidies of any character, and yet we have before us here, Mr. Chairman, the greatest subsidy payable to the fewest number of beneficiaries in all the history of legislative gratuities. Fewer men owning these shipyards are getting the largest amount of free Government money of any of the subsidies that we so generously bestow.

This month the House denied the farmer a fair wage for his labor and a fair price for his product on the ground that it amounted to a subsidy. The very name subsidy has been anathema. But it is all right for the gentlemen who own these shipyards and who are making tremendous amounts of money out of them to have a subsidy. I believe, after many years of observation, that there has been more money wasted on these shipyards than on any enterprise in which the United States Government has subsidized.

And, there is another sacred principle which is being violated here-the principle of private enterprise. We are being told all along that business does not want the Government to engage in private enterprise; that they want to be left alone; that they want to be left free to work out their problems without Gov-ernment interference. That is the stereotyped statement regularly made by every chamber of commerce and of every manufacturers association in the country. They believe religiously in free enterprise. And here we propose to violate every principle of private enterprise by doing for them what they can do for themselves.

Why, Mr. Chairman, in 1953, private enterprise built 15 ships, and already in 1954 they have built 6 more ships. All we have to do is to give free enterprise a chance to go along uninterrupted and unimpeded by Government handouts

and they can and will build all the ships we need.

Appalling waste has marked the expenditures of these huge subsidies. They have built ships that were not needed. They have constructed fleets that never sailed.

With the money they hope to receive through this amendment they are proposing to alter the design of ships that are now under construction—ships that have not yet been completed.

Can you imagine any sensible, responsible group of men countenancing such colossal waste and inefficiency?

It was disappointing, too, Mr. Chairman, to note the emphasis placed this afternoon on the fact that the President is displeased with the action of the Committee on Appropriations in reporting out this bill without the ship subsidy in it. The Committee on Appropriations has spent months in investigating, in holding hearings and making studies of this problem. The committee has brought in a recommendation against this expenditure.

Immediately the President sends word up here to disregard the Committee on Appropriations. I yield to nobody in my admiration for and my devotion to the President of the United States. I have supported him when the Members on that side opposed him. But there are three branches of the Government—the legislative, the judicial, and the executive. Why should the executive branch dictate to the legislative branch? Why have any Committee on Appropriations at all?

Mr. Chairman, effort has been made to camouflage this amendment as a labor amendment. As a matter of fact it involves no labor issue of any kind. That has been thrown in here merely to cloud the issue. The great labor organizations, the A. F. of L. and the CIO, have announced no position on it and have taken it up with none of the Members I have heard discuss it.

The beneficiaries are a few privileged shippard owners who have become accustomed to consider Government hand-

outs as their vested right.

We have denied subsidies to the farmer. We have insisted on free enterprise without Government interference. Let us apply those principles without prejudice or favor. Let us defeat this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, before speaking to the amendment, may I ask unanimous consent that all Members may extend their remarks at this point in the RECORD?

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAY. Mr. Chairman, I rise in support of the amendment.

Our need for a strong, privately owned and operated merchant marine has been recognized and established by law for many years. It has been recognized recently by the President. High Army and Navy officials and officers say that the present condition of the merchant-ma-

rine fleet makes it the weakest link in our national defense. Their testimony was overwhelming and unanimous and there is no evidence to the contrary.

Perhaps we do not have the best possible way of developing and maintaining a strong merchant marine-that is a question for much further study but this is no time to quibble and procrastinate on that score. We must have ships and our shipyards must be enabled to keep their essential skilled workers busy.

The ship construction which would be authorized by the amendment under discussion is a vital part—but only a part of the overall program that should be started and carried out immediately. Time is one thing we simply cannot afford to lose.

Mr. WILSON of California. Chairman, I rise to support the appropriation of funds for additional court facilities for the new judges, which are to be appointed as a result of the omnibus judgeship bill which passed earlier this session.

The General Services Administration has asked for \$220,000 for additional courtroom facilities to improve the crowded courtrooms in the Federal Building in San Diego, in my district.

Approval of this appropriation will be additional evidence that Congress, the Administrator of the Courts, and the General Services Administration are in agreement that the new judge should sit in San Diego.

Such was the clear intent of the Judiciary Committee and the Congress in approving the omnibus judgeship bill earlier this session. The only testimony presented last year showing the need and requesting the services of an additional judge for the southern district of California was presented by the San Diego Bar Association and other interested San Diego citizens. The committee was impressed by the need shown by the crowded calendar of the one district judge sitting in San Diego. However, rather than writing the place of residence into the bill, as had been done for San Diego's first judge, the committee decided such a policy might lead to additional problems, and eliminated designation of all places of residence for all judges in the bill. In doing so, they left the residence decision to the judicial council, but stated clearly in the report accompanying the bill that the committee was impressed with the need for a second judge at San Diego.

Despite this clear statement of intent by Congress, the judicial council reportedly has left the determination of the place of residence up to the presiding judge in the southern district, Judge Yankwich, of Los Angeles. Leon R. Judge Yankwich appears to have decided to ignore the intent of Congress in the assignment of the second judge. He has made several public statements to the effect that the second judge is not needed at San Diego, despite the fact that a second judge has sat at San Diego almost continuously for the past year or so. In recognition of the caseload at San Diego, Judge Yankwich has assigned a second additional judge on a rotation basis, allowing 8 of the 10 southern district

judges to sit for a 3-month period in budget for unemployment compensation San Diego, in rotation.

In adopting the policy of rotation, Judge Yankwich is in effect doubling the cost of the second judge Congress has provided for the San Diego area.

The cost of assigning an extra judge to San Diego on a rotation basis amounts to more than double what a San Diego resident judge would be paid. Each judge and his clerks and bailiffs would be entitled to per diem expenses of approximately \$40 per day week in and week out, plus mileage at 7 cents per mile to and from their homes, some over

a hundred miles away.

This extra cost could be eliminated if Judge Yankwich and the judicial council would follow the dictates of Congress; which has set up the additional judgeship for San Diego's expressed needs, which is today approving the construction of his courtroom in San Diego, and which provides the funds for operation of this court and all courts.

San Diego needs the second resident Federal judge provided by Congress. I submit that any other assignment by the judicial council or the southern district judges would be a capricious, arbitrary, and extravagant decision directly contravening the intent of Congress.

Mr. LESINSKI. Mr. Chairman, this bill, perhaps more than any other we have taken up this session, shows what is wrong with the Republican Party when it is put in charge.

The Eisenhower administration, in the 1952 campaign, attacked all the programs of the Democratic administrations and said they were terrible and would be ended. That was the usual Republican campaign or propaganda and we were all used to that after all those years when the Republicans were out, so we did not take it too seriously.

But the Eisenhower crowd apparently believed their own campaign oratory. When they came in down here they brought in thousands of efficiency experts and big-business men to show how to get the Government out of all of the so-called unnecessary operations started under the Democrats.

Well, all last year the administration was tearing these programs apart and throwing them away as fast as they could find them. The majority in the Congress went along with that idea wholeheartedly and had a wonderful time slashing the appropriations and eliminating programs.

Now, after more than a year of studying the situation, the Eisenhower people discover they made some horrible mistakes. The aviation people came in and told them how wrong they were to kill the airport-aid program. The business people came in and said: "Say, you do not really want to kill off those census studies and statistical reports; business needs them.'

The maritime industry came in and said: "Are you fellows aware that you are letting the merchant marine and the shipbuilding industry collapse? You better get busy and get things back on the track."

The hard-money program turned sour and unemployment began to grow and here there was not enough money in the

or veterans unemployment compensa-

So, on one thing after another, the administration had to send up supplemental requests for more funds for these programs. The budget turned out to be full of mistakes, but you can always correct mistakes of that kind by just appropriating enough money in time.

But what happened? The Republicans up here who had been so happy about cutting out all the old Democratic programs suddenly woke up to find that the Republican administration wanted them put back in the budget again.

All this time, our Republican friends up here have been bragging about cutting the budget and cutting out Democratic programs. When anyone com-plained—particularly any businessmen back home who were damaged in their businesses by these cuts-our good friends on the Republican side had a snappy comeback—they said: "Do you want a balanced budget or not? Do you believe in Republican economy or not?"

What was a good Republican businessman to say to that? Even if it put him out of business, he had to agree economy and a balanced budget were just what the chamber of commerce ordered.

Well, the Republicans are really in a spot now. The President says, just forget some of that stuff last year about knocking out the airport program, or the ship subsidies, or big bureaucracies for employment compensation, or these boondoggling censuses, and so on. We find we made a big mistake. Give us all the money back again.

According to some of the Republicans on the House Appropriations Committee, in the printed hearings on this bill. the lid is off on every foolish thing.

Well, Mr. Chairman, it is not really that bad at all. These things turn out to be not so foolish after all. Maybe there was some foolishness in cutting them so hard before the administration woke up to how important these programs are to business and industry and the general public and also to the security of the country.

Any of our Republican colleagues who feel it might make them look foolish to vote this year for the very things the Eisenhower administration told them last year were not necessary can always tell their constituents they are just following the Republican line.

But the Appropriations Committee apparently believes in following the Eisenhower line in one direction only-toward cutting the budget. So we have this bill before us cutting and cutting the very appropriations the President says must be increased-not lowered.

It is quite a dilemma for a conscientious economizer who has spent years in Congress yearning for Republican austerity budgets and now finding that it costs money to run the Government even when the Republicans are in.

Let us forget the 1952 promises and legislate for the good of America. Otherwise, we could economize the country into disaster.

Mr. CONDON. Mr. Chairman, I subscribe wholeheartedly to the position taken by the gentleman from California [Mr. Shelley] and am in support of the amendment offered by the gentleman from Massachusetts [Mr. Wiggles-WORTH). During the emergency of World War II, the Richmond shipyards in my district built more ships than any other yards in the world had ever built in a comparable period of time. It is a shameful folly to see our shipyards fall into disuse and to see the skills which we have developed be dissipated away from the waterfront. I certainly believe that this body must preserve the American merchant marine and our shipbuilding industry by appropriating the money recommended by the President and embodied in the amendment offered by the gentleman from Massachusetts.

"ECONOMY" WHICH WILL HURT MILLIONS OF AMERICANS

Mrs. KEE. Mr. Chairman, the Committee on Appropriations can take all the bows it wishes to for the remarkable economy record it has compiled in reporting out this supplemental appropriation bill. But unless the Congress reverses some of the actions of the committee, millions of Americans will be hurt by this kind of economy.

It is not economy, Mr. Chairman, to leave our women and children and, in fact, all the people of this country, medically unprepared for the unimaginable horrors of atomic or hydrogen attack. True, this bill saves \$35 million out of a proposed \$60 million for emergency medical and rescue supplies and equipment.

But would it really be economy if thousands or millions were to die for lack of this stockpile of essential supplies? I do not think so. The scientists talk about these horrible bombs in terms like megadeaths—meaning millions of deaths. The committee acted on this matter as if the threat were really far away.

God grant that this might be true. But certainly the world and standards of political morality in the world are not such that we can take this threat calmly or ignore it. We must be prepared to enable our people to survive whatever the future may hold in store. I do not think \$35 million would be considered much of a saving if it meant unnecessary loss of many lives for lack of adequate life-saving supplies.

SAVING \$119,000 AT THE EXPENSE OF JOBLESS VETS

Mr. Chairman, as a member of the House Committee on Veterans Affairs, I am extremely conscious of the problems of the young ex-serviceman, or the discharged reservist, in trying to reestablish himself in civilian life. It is a particularly difficult task for him right now in many sections of the country, and particularly in States like West Virginia where the incidence of unemployment is very high.

In connection with the regular Labor Department appropriation bill acted on earlier this year, we heard how the Bureau of Veterans Reemployment Rights is running 5 and 6 months behind in acting on the cases of returning veterans who have been unable for one reason or another to get their old jobs back. Now

the matter is again brought to our attention in the requests made by this bureau for a supplemental appropriation to bring that backlog closer to a current status. It asks for a very small amount—\$119,000. I am amazed that this request has been denied by the Committee on Appropriations.

Are these boys and girls coming back from the service, and denied their rights under the GI bill, to sit and cool their heels for 6 months or more before the Government agency set up to protect their rights can get around to their cases?

Is this economy? I think not.

ALL JOBLESS WORKERS AND THEIR FAMILIES
AFFECTED

A further provision of this bill, as it has come from the Appropriations Committee, similarly affects all of the hundreds of thousands of American workers and their families who are dependent upon unemployment compensation.

.The President asked for an additional \$43 million for the administration of unemployment compensation and the employment services in the various States. The committee has allowed only \$4,600,-000. Now what does that mean? It means that those eligible for unemployment compensation will have to wait longer for action on their cases. It means they will have to wait longer for their checks. It means they will have to wait longer for any help from the employment service leading toward other jobs.

It means the youngsters coming out of school looking for their first jobs will have to wait in line—way back in the line—for any attention from the overworked employment service people.

Let us go back a moment, Mr. Chairman, and see how this request for additional funds originated. The President says his advisers made a serious miscalculation when the budget was prepared originally in estimating the amount of unemployment we would be having at this time. They did not ask Congress for nearly enough funds for the kind of program now needed-to process the unemployment compensation claims of those out of jobs and help them to get new jobs. But before that admission was made and steps taken to correct it, Congress went ahead and cut what the administration now tells us was already an inadequate figure. So instead of the funds it really needs of about \$260 million for the current fiscal year which started July 1, the Bureau of Employment Security will be at least \$40 million -that is, adding up the cuts made in this bill and in the regular appropriation. This kind of economy, Mr. Chairman, hurts people who are most in need of help-those out of work.

ELIMINATING THE NEW HOSPITAL CONSTRUCTION
PROGRAM

There are many, many instances of similar economy in this supplemental appropriation bill, Mr. Chairman, and I cannot begin to cover all of them in the time allowed. Other Members, I am sure, will discuss cuts in programs affecting various industries, and so on.

But I do want to make mention of several items which hurt our people on

human terms. The Congress has just recently passed, with much ado, an extension of the Hill-Burton Hospital Construction Act to provide for Federal aid for the construction of specialized types of hospitals-diagnostic or treatment centers, hospitals for the chronically ill, rehabilitation facilities, and nursing homes. Now we are asked to appropriate funds to carry out this program. The President asked for only \$35 million for construction funds for this purpose for the first year of the new program's operations instead of the \$75 million authorized under the new law. The committee, practicing economy, has not voted a single dollar for this purpose. Why did we pass the bill for the program if we do not believe in voting the funds to carry it out? This kind of economy is disillusioning to the folks who thought they would be helped by the new law we passed. But no money is provided to carry out the law.

JUVENILE DELINQUENCY PROGRAM ALSO ELIMINATED

I have called to the attention of the House several times in recent months, Mr. Chairman, the alarming problem of juvenile delinquency and the need for corrective action to prevent this terrible waste of human resources. In my home county we are trying to meet this problem affirmatively on the local level by joint efforts on the part of an aroused and interested citizenry. We are trying to chart a new course in a very difficult problem area. Recently we had Dr. Martha M. Eliot, Chief of the Children's Bureau, come to talk with us and outline some of the areas in which she thought our group action could accomplish the most.

She informed us of big plans in the Children's Bureau for setting up a special program in juvenile delinquency work, to obtain and disseminate information in this vital field the better to help community efforts such as our own program back home. The people in our county were much encouraged by this.

But along comes this bill, Mr. Chairman, acting on Dr. Eliot's request for a modest \$165,000 for the juvenile delinquency study by appropriating exactly nothing. Not a cent. So the special study cannot go forward. I do not believe that kind of "economy" is very helpful to the mothers and fathers of America and the teachers and clergy and youth leaders seeking help in curbing a growing national menace of juvenile delinquency.

"LITTLE AID TO EDUCATION" PROGRAM GETS NO FUNDS

A last word, Mr. Chairman, on the matter of help for our hard-pressed schools, now bulging at the seams and with teachers carrying a frightfully heavy pupil load at frightfully low pay.

The administration's approach to this problem has been one of delay and "study." It has avoided any attempt to get help to our schools but has proposed a series of research programs in this field.

With much ado, again, the Congress passed three bills in this area—one for a cooperative program of research with the colleges on educational problems; one for

a national advisory committee to advise the Secretary of Health, Education, and Welfare on school problems, and one for a White House Conference on Education. Out of all of these studies, including the White House Conference a year and a half from now, the administration hoped to get enough information on the needs education to recommend a Federal policy in this respect.

It has been my position that these programs were woefully inadequate. They "study" a problem we know just about all we have to know about. We know our schools need financial help. How are they to get it?

But little as this aid-to-education program of the present administration has been, it is all we have at this point. It is a puny thing, but perhaps of some use. Not under this bill, however. For under this appropriation bill, not a single dollar is appropriated to carry out any of these programs-not a dollar of the \$100,000 requested for the cooperative research program, not a dollar of the \$175,000 requested for the national advisory committee, not a dollar of the \$1,750,000 just authorized recently for the White House Conference.

The "little aid to education" program. under this bill, becomes the "no aid to education" program. I am deeply disappointed.

Mr. ROONEY. Mr. Chairman, I mentioned in my remarks awhile ago that I had an amendment at the Clerk's desk, which would provide that whatever ship construction or ship reconstruction money is provided in this bill, must be spent in shipyards in the continental United States.

The CHAIRMAN. Does the gentleman desire to offer his amendment now?

Mr. ROONEY. I offer my amendment now. Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. Rooney to the amendment offered by the gentleman from Massachusetts [Mr. Wigglesworth]: Add the following: "Provided further, That all ship construction, reconditioning and betterment of vessels appropriated for herein be performed in shipyards in the continental United States."

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. WIGGLESWORTH. I will say, as far as I am concerned, that I am very happy to join in that amendment.

Mr. ROONEY. I thank the gentle-

man. I knew he would.

Mr. Chairman, in my remaining time may I point out with regard to the pending amendment offered by the gentleman from Massachusetts, [Mr. Wiggles-WORTH], that not only the National Advisory Council, but the Defense Establishment is in favor of this proposed ship construction. The Department of Defense a year ago stated that for défense purposes there was a deficiency of 214 merchant vessels in our merchant fleet; 43 large tankers, 6 large passenger-cargo ships and 165 other vessels. If we adopt the amendment of the gentleman from Massachusetts [Mr. Wigglesworthl, as I feel we are, we would merely be restoring 14 of the 214 vessels required as a minimum for the national defense

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, we have been monkeying with this subsidy business for a long time. The result has been that we have almost driven the American merchant marine off the seas. There has been no study made, there has been no analysis made of this situation by the Maritime Commission nor the Merchant Marine and Fisheries Committee. If we continue, we are going to drive the American merchant marine off the seas and over to other countries in this hemisphere. I understand that a block of ore boats, to carry 60,000 tons apiece. are being built in Japan and undoubtedly will be operated under the Venezuelan flag, to carry ore from Venezuela to Philadelphia. We are creating a situation under which the American people cannot travel on American ships. It is impossible for them to get dinner after 7 o'clock in the evening.

What bothers me about this situation is that if we go on that way, God help the American merchant marine. Let us try to find a way out instead of trying to

dig ourselves in deeper.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Jupp].

Mr. JUDD. Mr. Chairman, I am in favor of this amendment. Each year when we have had the foreign-aid bill before us, I have opposed as strongly as I could, the provision that required that 50 percent of the shipping used in that program be in American bottoms. I did not think that was the fair or right way to take care of our merchant marine. Each year some tens of millions of dollars of the appropriations advertised to the American public as foreign aid was actually money to subsidize our own merchant marine.

But the merchant marine must be taken care of, and this amendment provides a part of the right way to do it. We have got to have an American merchant marine and an American shipbuilding industry. We cannot compete on even terms with the cheap labor of countries which do not have the high standard of wages and of living that we enjoy in the United States. Provisions like those in this amendment are part of the price we pay for our high standard of living and for our national security. I am glad to pay that price.

This is the proper kind of legislation to keep our merchant marine on the high seas, to keep it up-to-date, and to keep it adequate, both because of our commercial interests, and even more as a part of our national defense.

I hope the amendment will be agreed to.

The CHAIRMAN. All time has ex-

The question is on the amendment offered by the gentleman from New York IMr. ROONEY 1 to the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The question was taken; and on a division (demanded by Mr. TABER) there were-ayes 117, noes 32.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. WIGGLES-WORTH | as amended.

The question was taken; and on a division (demanded by Mr. TABER) there were-ayes 123, noes 41.

So the amendment was agreed to.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Allen of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. TABER. Reserving the right to object, Mr. Speaker, this is the situa-If we are going to get that foreign relief bill marked up in the Committee on Appropriations, and the House meets at 11 o'clock, it will be impossible to do it before Thursday and we will not be able to report it before Tuesday of next week and take it up on Friday. That is the situation we are in here. I just want to know what the program is.

Mr. HALLECK. I withdraw my request, Mr. Speaker.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have taken this time in order to announce generally to the membership what has been a matter of some discussion among the leaders and the chairman and ranking members of the committees. As I am sure everyone knows, suspensions which were in order for last Monday have been transferred to tomorrow.

We expect to call up under suspension of the rules on tomorrow the bill H. R. 9888, extending the Korean GI bill of rights for 1 year, which has been reported by the committee. We also expect to call up under suspension of the rules, the bill H. R. 9020, having to do with veterans' benefits, amended by the Committee on Veterans' Affairs. We also expect to call up under suspension of the rules what have come to be known as the postal rate and postal pay bill, as reported out by the Committee on Post Office and Civil Service with the amendments which were voted in committee. The suspension will include both of those bills. I

might say that both bills have been reported and the reports are available and will be available in the morning, as well as a committee print which will indicate the final form of the measure upon which the motion to suspend the rules will be made. We also propose to call up under the suspension of the rules the bill H. R. 7130, having to do with for-feiture of citizenship. It has also been suggested to me that if time permits, these bills from the Committee on Public Lands might be called:

S. 2380, to amend the Mineral Leas-

ing Act.

S. 2381, to amend section 27 of the

Mineral Leasing Act.

H. R. 8498, authorizing construction of works to reestablish the Palo Verde irrigation district.

S. 3385, providing for more effective extension work among Indian tribes.

S. 2864, to approve an amendatory repayment contract negotiated with the North Unit Irrigation District, and so forth.

As I say, I do not know how many of those we might have time for. I have discussed that with the gentleman from Nebraska [Mr. MILLER] and I thought I might at least list them as a possibility. I might say to the Members on our side, before I conclude, that we hope to have a conference which should not run too long as soon as the House adjourns, which I hope will be shortly.

Mr. RAYBURN. Mr. Speaker, will the

gentleman yield?

Mr. HALLECK. I yield. Mr. RAYBURN. I do not believe, Mr. Speaker, that I have ever heard of so many bills proposed to come up on one day under any circumstances, much less under suspension of the rules. I might say also, Mr. Speaker, that I do not think while I was either Speaker or majority leader that I ever called up, or allowed to be called up under suspension of the rules, any bill until I had consulted with the minority leader. If my memory serves me correctly, I never recognized any Member to move to suspend the rules unless it was agreeable to the minority leader. This program is not agreeable to me. I think it is a terrible thing that in order to increase the wages or salaries or compensation of postal employees, we have to throw two bills together. I want to say now for myself, although I do not know what might be the course others may take, if the increases in postal salaries and the increase in rates on postage stamps from 3 cents to 4 cents come up together, it certainly shall not have my support.

Mr. HALLECK. Mr. Speaker, I certainly respect the gentleman's opinions.

I have not checked the RECORD, and certainly I am not going to do so, to determine whether or not the gentleman ever permitted any suspensions when he was Speaker that were not concurred in by the minority leader. As the gentleman knows, as we proceed through the session necessarily there are discussions, because a two-thirds vote is involved, with the minority as to what the situation is, but I have never understood it to be the practice, and certainly it is not in the rules, as we come up to

the close of a session with the majority carrying the responsibility for the progress of the program, that we would be subjected to a veto from the side of the minority.

I am not going to argue the merits of these measures at this time, as the gentleman has in some measure, except to point out that similar action was taken in the 80th Congress, and I checked the RECORD and there was not even a rollcall on the passage of measures at that time that involved the mat-

ter of rates and pay.
Mr. RAYBURN. The gentleman understands, of course, what happened after the adjournment of the 80th Congress. One of the reasons why I never agreed to recognize anybody for suspension of the rules without the consent of the gentleman from Massachusetts [Mr. MARTIN], was on account of what had happened to me on some of these occasions, and it will probably happen to the gentleman tomorrow.

Mr. HALLECK. I discussed the mat-ter in respect to the veterans bill, to which I have made reference, and it has been the practice, ever since I have been here, to call up those bills under suspension, whether the Democrats or the Re-

publicans were in power.

COMMITTEE ON THE JUDICIARY

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

BRIEF SUMMARY OF LEGISLATION TO INCREASE SALARIES AND PRO-VIDE OTHER BENEFITS FOR FOSTAL EMPLOYEES, AND FOR POSTAL RATE INCREASES

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, the leadership of the House has announced that legislation will be considered on tomorrow providing for increases in salaries and for other benefits for postal employees, and together with this legislation and included therewith, will be further legislation considered for certain increases in postal rates.

Because of time limitations allowed in considering these proposals on the floor of the House, I am making a brief statement with respect to these measures. Complete analysis of these proposals is included in reports of the bills, when re-

ported to the House.

Legislation to be considered to provide for increases in pay, and for other benefits, for postal employees is contained in H. R. 9836, as amended by the committee, and reported without opposition by the Committee on Post Office and Civil Service.

Here is a summary of the amended bill. It provides:

First. A permanent 5 percent increase for all postmasters, officers, and em-ployees in the postal field service with a minimum of \$200 except in the case of fourth-class postmasters and hourly rate employees.

Second. A fourth longevity grade for personnel of the postal field service.

Third. A reclassification for all postmaster, officers, and employees in the postal field service by requiring that the Postmaster General submit to Congress by March 15, 1955, a proposal for job evaluation of the positions of postal field service personnel. This proposal must contain schedules which set forth grades and salaries of postal field service positions, and provisions assuring postal employees (a) of the right to appeal their classification to the Civil Service Comission; (b) that those on the rolls when the plan, or any part thereof, becomes operative will not suffer any loss in salary; and (c) that they will not be down-graded. This plan will take effect unless disapproved within 60 days by a majority of either House of Congress, a quorum being present.

Fourth. An increase in the allowable per diem for employees in the transportation service to \$9 per day from the

present rate of \$6 per day.

Fifth. A uniform allowance of \$100 annually for those employees required to wear uniforms.

Sixth. A modification of present law which restricts the number of permanent appointments in the Federal service. This will permit the granting of permanent appointments to a large number of temporary and indefinite employees in the postal field service.

Seventh. A biweekly pay period for personnel of the postal field service. Total cost of bill, \$151,533,000.

Legislation to be considered concerning increases in postal rates is included in the provisions of H. R. 6052, as reported by the House Post Office and Civil Service Committee. A complete analysis of the measure is contained in a report that has been on file for some time. A summary of postal-rate provisions is as follows:

FIRST-CLASS MAIL

The bill as reported increases from 3 cents to 4 cents the rate on the first ounce of first-class letter mail for delivery outside the office of mailing.

I think it well to observe that much has been said that first-class mail more than pays its way. This applies to what is known as drop-letter mail. It is mail delivered from the post office where it is mailed. This legislation does not change that rate of 3 cents per ounce. The 4cent rate applies only to the first ounce on mail delivered away from the office of mailing.

AIRMAIL.

The rate on domestic airmail is increased from 6 cents to 7 cents an ounce. SECOND-CLASS MAIL

First. In addition to the 10-percent increase due April 1, 1954, under existing law, this bill will increase the rates on second-class mail in 3 increments of 10

percent, effective April 1, 1955, April 1, 1956, and April 1, 1957. These increases are based on the rates in effect prior to Public Law 233, 82d Congress, and are applied on the portion of publications for delivery outside the county of publication. The increases do not affect publications of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations.

Second. The publication, or portions thereof, delivered outside the county of publication on which rates are increased as explained in paragraph 1 above, will be subject to a minimum charge of one-fourth cent per copy, compared to the present charge of one-eighth cent. The one-eighth cent minimum remains the same as at present for publications of the nonprofit associations or organizations listed above.

Third. The present transient secondclass mail is eliminated and in the future these mailings will be carried at the third-class rate for those publications of 8 ounces or less and at fourthclass rate for those publications weighing over 8 ounces.

THIRD-CLASS MAIL

First. The rate for individual pieces of third-class mail is increased from 2 cents for the first 2 ounces, plus 1 cent for each additional ounce—or in some cases, 1½ cents for each 2 ounces—to 3 cents for the first 2 ounces plus 1½ cents for each additional ounce or fraction thereof.

Second. The rate on third-class matter mailed in bulk is increased from 14 cents per pound and 1½ cents minimum per piece to 16 cents per pound and 1½ cents minimum per piece.

Third. The fee for a permit to send third-class mail under the bulk mailing rate is increased from \$10 a year to \$50 a year, with the privilege of purchasing a 3-month permit at \$15.

Fourth. Odd-sized pieces of thirdclass mail will be subject to a minimum charge of 5 cents, representing an increase of 2 cents per piece.

Fifth. The minimum charge on thirdclass matter mailed at bulk rates without individual addresses, for delivery under regulations prescribed by the Postmaster General, will be 2 cents per piece.

Sixth. No increases will be made in bulk rates on third-class mailings of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight, or on mailings of nonprofit religious, educational, scientific, philanthropic, agricultural, veterans', or fraternal organizations or associations.

CONTROLLED CIRCULATION PUBLICATIONS

Controlled circulation publications will be subject to a rate of 11 cents per pound with a minimum charge of 1½ cents per piece.

BOOKS

The committee struck from the bill the provision which would have increased postage on books by \$4 million, or approximately 25 percent.

INCREASED REVENUE

Following is the estimated total increase in postal rates when all the rates are in effect:

Estimate of revenues from each section of H. R. 6052 (as reported)

[Based on 1953 volume and assuming no loss in volume due to higher rates]

20001011	
1. First-class mail (first ounce	
of nonlocal)	\$159,000,000
2. Domestic airmail	15, 600, 000
3. Second-class mail (publish-	
ers' second class)	13, 500, 000
Transient second-class at	
third- and fourth-class	
rates	900,000

	rates	900,000
4.	Third-class mail:	Zan manari manara
	Increase in piece rates	29,000,000
	Increase in pound rates 14	
	to 16 cents	3, 200, 000
	Bulk fee \$10 to \$50 year	
	or \$15 quarter	8, 000, 000
	Pieces of odd size or form_	1,000,000
	2-cent minimum on unad-	
	dressed third-class	3,000,000
	Total	44, 200, 000

5. Controlled circulation publication _____ (up to 8 ounces)

Total increase_____ 233, 280, 000

80,000

THE DROUGHT SITUATION IN KANSAS

Mr. MILLER of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MILLER of Kansas. Mr. Speaker, I wish to revise and extend my remarks and include a letter from Mr. Glenn Stockwell, of Randolph, Kans., showing what a group of intelligent and progressive farmers can do in the way of soil conservation and flood protection when they cooperate in measures for that purpose:

RANDOLPH, KANS., July 14, 1954. Hon. Howard S. Miller, House Office Building,

Washington, D. C.

DEAR CONGRESSMAN: I would like to tell you of my experience on my farm and in my neighborhood with watershed management as a means of flood control. My farm is located on Crooked Creek in northern Riley County, Kans. This creek is typical of many in this section. The creek is bordered with rich farmland that is highly farmed. The uplands are rough and steep. Through improper farming and pasture management the watershed has deteriorated and floods on the creek were becoming more frequent and severe.

In 1937 we had a very severe flood that destroyed acres of crops, washed out miles of fencing and drowned livestock. It was evident that we would either have to abandon the farmland along the creek or find some method of controlling the runoff waters. My neighbors and myself consulted with technicians of the State college, and the Soil Conservation Service. We visited some of the demonstration projects on which watershed development was being tried out. We were soon convinced that our remedy was in a proper management and development of our watershed. It would have to be a community effort.

Since that time much of the land has been terraced and grassed waterways installed. Improved rotation practices have been adopted. Much of the poorer upland has been reseeded to grass and the native grass improved through good pasture management. At least 15 impoundment structures have been built. Some of this work has been done under ACP assistance but much of it has been done at the farmers' own expense in order to accelerate the work.

The results have been outstanding. We went through the 1951 and 1952 flood periods with practically no flooding although we were in the area of high rainfall. During the 60 days of rainfall of May, June, and July 1951, the water was almost continuously trickling from our terraces but at no time did it assume flood proportions. We can now farm our lowlands with confidence and erect fences that are necessary for our livestock business without fear of having them washed away.

We are now experiencing a severe drought and are finding that the greatest benefits from our work may come in drought periods. In spite of the dry weather we have just finished harvesting one of the best wheat crops of our experience. Our springs are still flowing and we have plenty of water in our pastures. Our farm has been in the family for 97 years and we are just now developing a system of watershed management that will make the farm a stable and permanent proposition. I believe that an accelerated soil conservation and watershed development program would be the greatest boon that this country could receive. The benefits would be manifold and so widespread as to benefit the entire economy of our Nation. Sincerely yours,

GLENN D. STOCKWELL, Sr.

Mr. Speaker, at this point I include a communication from the Kansas Live-stock Association:

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., July 13, 1954.
Representative Howard S. Miller,
House Office Building,
Washington, D. C.

DEAR MR. MILLER: The following night letter was sent to Secretary of Agriculture Ezra

T. Benson, July 13:

"Record heat 114" common yesterday.
No rain past 2 weeks in most of Kansas.
Crops and grass are burning. Stock-water
situation becoming critical. Forced cattle
marketing started. Some truckers report
bookings 2 weeks ahead. Beef-purchase program, to be effective, should start at once.
Price paid for beef should warrant stronger
cattle prices. Contracts should be for delivery dates requiring immediate purchase
by processors."

A. G. PICKETT, Secretary.

Mr. Speaker, that telegram was sent a week ago and the heat and drought continue. The conditions are worsening daily and stockmen are compelled to liquidate their cattle.

It is my understanding that the Secretary of Agriculture has authority to institute a cattle-buying program to meet this emergency. I am one Member of Congress who believes it time to begin.

MY RECORD ON REA

Mr. VURSELL. Mr. Speaker, I want to pay a compliment to the fine work the officials of REA cooperatives have done throughout the Nation in bringing light and power to millions of farmers in the last several years, which greatly increases the wealth of the Nation by making an outlet for the use and purchase

of electrical appliances, amounting to billions of dollars a year, which is an aid to business and to the economy of the Nation, lifting at the same time much hard work from the farm women of America.

FREE ENTERPRISE

As I have often said, I regard REA as one of the finest examples of free enterprise at the grassroots. The officials who direct the management of REA cooperatives have done a splendid job, na-

The five REA cooperatives serving my congressional district have made every loan payment on time, and are ahead with their repayments now \$1,763,954. This fine record shows they are paying off their loans faster than they come due.

When I came to Congress in 1942, only 49 percent of the farms in Illinois had electric light and power. Now, 12 years later, we have 95 percent served.

VOTED FOR \$2,649,000,000

In these 12 years I have voted for REA loan funds a total of \$2,649,000,000, which is \$75 million more than was requested by Presidents Roosevelt, Truman, Eisenhower, and the Bureau of the Budget acting for those Presidents.

This shows we appropriated \$75 million more for the REA loan fund than was requested by these three Presidents.

I thought the farmers should have these facts. I decided to give them to you because I have learned that a false campaign is being started by those who hope to gain political advantage by charging I had not adequately supported the REA. These loans are repaid with interest.

Mr. H. CARL ANDERSEN. Speaker, will the gentleman yield?

Mr. VURSELL. I yield. Mr. H. CARL ANDERSEN. The gentleman from Illinois [Mr. VURSELL] has throughout his 12 years in this House always fought for what he has considered to be just and fair treatment for the farmer in every respect. I recall the many times in which he has appeared before my Subcommittee on Appropriations for Agriculture in behalf of such programs as REA. I have noticed that during these 12 years the gentleman from Illinois [Mr. VURSELL] has always voted as I have relative to REA loan allocations. I am positive in my own mind that during these years, he and I have voted for \$155 million above and beyond what the budget has requested of the Congress. There is no better friend of REA and the farmer than the There is no better gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. I sincerely appreciate the comments of the gentleman from Minnesota [Mr. ANDERSEN], the chairman of the Appropriations Subcommit-

tee for Agriculture.

Mr. HORAN. Mr. Speaker, will the gentleman yield? Mr. VURSELL. I yield.

Mr. HORAN. I just want to say that in my opinion the gentleman from Illinois is as good a friend of REA as there is in the Congress, and has been all down through the years. He has fully supported REA loan funds for the 12 years he has served in the Congress.

Mr. VURSELL. Mr. Speaker, I want to thank both of these gentlemen, who are members of the Agriculture Subcommittee on Appropriations.

Mr. Speaker, the members of the Appropriations Committee of the House know that I have fully supported the loan funds for REA in every session of the Congress for the past 12 years.

The farmers generally know that I have not only supported the REA loan fund to extend light and power to the farmers of Illinois and the Nation, but that I have supported soil conservation and research and extension work; that I helped to write and pass the farmto-market roads program—to pull the farmers out of the mud; that I have supported the Farmers' Home Administration loans to assist farmers to own their homes-and I note from a recent report that 50 farm loans have been granted to farmers in Marion County; that I have voted at all times and am still voting in this session to help the farmers on every front.

I have owned and operated farms most of my life. I helped to organize, as a charter member, nearly 40 years ago, the Farm Bureau in Marion County, and am still a member.

NAIL CHARGES DOWN

Mr. Speaker. I want to nail these false charges down by giving you the record of my support of REA loan funds, carefully compiled by a member of the staff of the House Subcommittee on Appropriations for Agriculture.

May I point out that, in order to save time on the House floor, on many occasions, no record vote is taken. the Members are in agreement they often pass the bill by a voice vote rather than take the time to call the roll of 435 Members, which must be called twice on a rollcall vote.

Twelve years ago the first REA appropriation bill I was privileged to vote for came in the 1st session of the 78th Congress.

HERE IS THE RECORD

78th Cong., 1st sess., 1943

____ \$30,000,000 Budget request_____ House committee approved____ 20,000,000 Senate approved______ 30,000,000

It then went to a conference committee of the House and Senate. When it came back to the House, Congressman RANKIN moved that the House approve the Senate figure increasing REA appropriations to \$30 million. The record shows that I voted "yes" on the Rankin substitute-Congressional Record, volume 89, part 5, page 6361-which was defeated. This shows I voted to increase REA appropriations \$10 million.

78th Cong., 2d sess., 1944

Budget request_____ \$20,000,000 House committee approved ___ 20,000,000 House approved ___ 20,000,000

I supported the \$20 million although there was no record vote. It went to the Senate, which increased the amount to \$40 million. The conference committee representing the House and the Senate compromised at \$25 million. No one opposed the conference report. I supported the \$25 million, and this was the amount appropriated.

79th Cong., 1st sess., 1945

Budget request_____ .___ \$150, 000, 000 House committee approved___ 60,000,000 House approved 60,000,000 Senate approved 125,000,000

In the House on final passage of the \$60 million, there was a record vote. I had been called to my office on an emergency matter, and returned to the floor as quickly as possible, but got there about 2 minutes too late to be recorded favorably on the House vote. Conferees, representing the House and Senate. compromised on \$80 million, and I supported the conference report for \$80 million.

79th Cong., 1st sess. (continued), 2d deficiency, 1945

Budget request_____ __ \$160,000,000 House committee approved 50,000,000
House approved 120,000,000

I supported the \$120 million on a division vote. There was no rollcall. The Senate approved \$120 million. Final amount approved \$120 million, and I voted for it.

> 79th Cong. 2d sess., 1946, urgent deficiency, 1946

House approved_____ \$100,000,000

A motion was later made to recommit the bill, to eliminate funds for OPA, which was defeated on a record vote. I was not recorded on that vote, however, it had nothing to do with REA.

79th Cong., 2d sess., (continued)

Budget request	\$250,000,000
House approved	250, 000, 000
Senate approved	250, 000, 000
Final amount approved	250, 0,00, 000

I voted for \$250 million, as all other Members present did. In order to save time no record vote was taken.

80th Cong., 1st sess., 1947

Budget request_____ \$250,000,000 House committee approved____ 225,000,000 House approved____ 225,000,000

Mr. Cannon of Missouri offered motion to recommit, Congressional Record, volume 93, part 5, page 6030, to provide \$300 million for the Agriculture Adjustment Administration, \$75 million for school lunches, and to increase REA \$25 million. I voted against it because of the enormous sum added for AAA in the House.

On final passage of conference report I voted "yes" on the rollcall vote for \$225 million-Congressional Record, volume 93, part 5, page 6031; 315 of the Members voted "yes" and only 38 voted "no."

80th Cong., 2d sess., 1948

First deficiency 1948 budget

request_____ ----- \$175, 000, 000 Committee approved 75,000,000

In other words, we in the House increased the committee request by \$100 million. Mr. Cannon of Missouri offered motion to recommit, and increase REA by \$100 million. I voted "yes" on rec-ord vote, Congressional Record, volume 94, part 3, page 3995, and also voted "yes" on record vote for final passage on April 1, 1948. Senate also approved the

Budget request (regular)	\$300,000,000
Committee approved	400,000,000
House approved	400, 000, 000
Senate approved	400, 000, 000

This was under the 80th Republican Congress, which voted more funds in the 2 years it was in power for REA than has ever been voted in 2 years since REA was adopted. There was no record vote and practically no opposition. I voted for these large sums, as the other Members did.

81st Cong., 1st sess., 1949

Budget request	\$350,000,000
Committee aprpoved	350, 000, 000
House approved	350, 000, 000
Senate approved	350, 000, 000

I supported this amount by a voice vote. There was no record vote.

Now, since there are always some people who are more interested in politics than they are in the farmers, I want to quote what I said with reference to the REA bill when we were considering it on April 5, 1949, 5 years ago. You will find my remarks in the Congressional RECORD, volume 95, part 3, page 3921. My comments then reflect the support I have always given REA loan funds throughout my service in Congress. This is what I said:

Mr. Chairman, I had occasion to appear before the subcommittee handling this bill. They have brought out a very good bill. It appeals to me in almost every section.

Particularly do I appreciate and favor that provision with reference to REA, which not only provides for an appropriation of \$350 million, but has a proviso that the administrator of REA, Mr. Wickard, if he finds he is running short of funds may go to the Secretary of Agriculture and borrow in amounts of \$50 million, if he can so justify, until an additional \$150 million has been exhausted.

I am glad this provision is worded so that the administrator does not have to come back to Congress, if more funds are needed for the year 1949. The Congress by this provision has given REA full opportunity for the extension of its services, so much needed by the people of the Nation.

SOIL CONSERVATION

I am also interested in the provision with reference to soil conservation. The greatest contribution we can make to the posterity of this country, as well as for the immediate future is that we try to leave the soil in a better condition than we found it, more fertile, and more productive, for those who folafter us. If we have done that, then we have really rendered a service to the country, not only for the present and the near future, but for the years to come.

The RECORD further reads as follows: Mr. RANKIN. Mr. Chairman, will the gentleman [Congressman Vursell] yield? Mr. Vursell. I yield.

Mr. RANKIN. This bill appropriates \$350 million for rural electrification, and makes \$150 million additional available if necessary. That is right, is it not?

Mr. Vursell. Yes. Mr. Rankin. That would mean \$500 mil-

lion would be available.

Mr. VURSELL. That is correct.

The above reflects the position I have always taken on REA loans and soil conservation.

81st Cong., 2d sess., 1950

Budget	request (includi	ng
rural		
	ommittee approved	
	approved	
Senate	approved	390, 000, 000

Conference of the House and Senate committees approved a compromise of \$382,500,000. Final amount approved, \$382,500,000. I, with practically all other Members, voted for this large sum.

82d Cong., 1st sess., 1951

Budget request	\$109,000,000
Committee approved	109, 000, 000
House approved	109, 000, 000
Senate approved	109, 000, 000

No amendment or record vote. No conference necessary. Final amount approved, \$109 million. I, with practically all Members, supported the amount by

82d Cong., 2d sess., 1952

Budget request	\$75,000,000
Committee approved	75, 000, 000
House approved	75, 000, 000
Senate approved	75, 000, 000

No conference necessary. Practically all of the House Members voted for the \$75 million. No record vote was neces-

83d Cong., 1st sess., 1953

Budget request	\$200,000,000
Committee approved	185, 000, 000
House approved	185, 000, 000
Senate approved	202, 500, 000
Conference committee ap-	
proved	202, 500, 000

The Congressional Record, volume 99, part 4, page 5277, dated May 20, 1953 will show that I voted "yes" on final passage.

83d Cong., 1st sess., 1954

Budget request	\$55,000,000
Committee approved	100, 000, 000
House approved	100,000,000

I urged the subcommittee to increase the amount to \$100 million, and we approved it on a voice vote. There was no record vote. The Senate raised the amount to \$135 million. Inasmuch as I could not be present when the conference report came back to the House, I made the following statement, which I quote from the Congressional Record of June 22, 1954, page 8658:

Mr. Speaker, since it will be impossible for me to be present tomorrow when the conference committee reports on the agriculture appropriation bill, I should like for the RECORD to show that I favor the report, and if it were possible for me to be present, I would vote for the additional Senate \$35million loan authorization carried in the report for REA.

When the above bill was before the House, the Congressional Record of April 12, 1954, page 5036, carried my remarks, as follows:

REA FUNDS

Mr. Chairman, I am pleased to note that our committee has provided additional loan funds for rural electrification in the amount of \$100 million in this bill. I would like to point out that the Appropriations Committee has increased the budget request of \$55 million by \$45 million, which will bring the loan fund for the coming year up to \$100 million.

FOR REA TELEPHONE SERVICE

I would also like to say that I voted for the original Telephone Act and to point out that we have provided the full budget request of \$75 million loan fund to be used in the extension of the REA telephone service, which is an increase of \$7,500,000 over the appropriations made for telephone service over the recent year.

COMMITTEE REPORT

The committee has had reported to it many instances where private power sources are placing more and more restrictions on the activities of REA cooperatives as condition to negotiating contracts to supply the necessary power. Many times contracts offered by the private power companies are on a year-to-year basis. In the opinion of the committee, REA cooperatives are entitled to a firm source of power at reasonable rates and on a dependable basis, with the full right to operate on a basis which will render maximum service to eligible con-sumers. The committee feels that the Administrator's authority to provide loans for power generation should be fully utilized, if necessary, in order to assure adequate power to REA cooperatives on a reasonable basis.

The committee report we wrote is important, and shows the Congress is determined to protect the REA as it grows in the future to the extent that they may build their own power-generation plants, when necessary, to assure them adequate power, at reasonable competitive rates. When they are not able to secure adequate power in an area without unreasonable rates, I want them to have this protection.

I further stated "that Congress is determined to protect the REA as it grows in the future to the extent that they may build their own power generating plants, when necessary, to assure them adequate power, at reasonable competitive rates."

Now, the above shows that I, with a majority of the Members of Congress, appropriated for the REA loan fund to bring light and power to the farmers of America a total of \$2,649,000,000, which is \$75 million more than was requested by the three Presidents under whom I have served during the past 12 years.

INTERIOR DEPARTMENT-RECLAMATION, ETC.

The following will show that I voted with a majority of the Members of Congress to reduce some amounts for administration expenses and construction work, because the hearings held before the Appropriations Committee of 50 members showed these funds were not necessary, and would be a waste of the taxpayers' money.

ROLL CALL NO. 40. APRIL 25, 1947

A motion was made from the Democratic side to recommit the bill which would add funds to purchase 30 new automobiles for the Interior Department-mind you, not REA-and provide for \$1,700,000 for administration of the Bonneville project, meaning they could employ more people who were not needed and spend more money.

The facts prove they had a carryover of \$141 million in the Department that had not been spent. The Washington Post, the leading Democrat newspaper in Washington, published an editorial commending the action the committee had taken in reducing the Interior appropriation bill.

I voted against the waste of this amount of money because they already had too many automobiles and plenty of money for the administration of the project. I must have been right because 197, including Representative Nixon, now Vice President, and Representative William G. Stratton, now Governor of

Illinois, voted with me, while only 140 voted for the motion to recommit.

ROLL CALL NO 39, MAY 2, 1951

Mr. Gary, chairman of the Appropriations Subcommittee, and a Democrat from Virginia, offered an amendment to strike out \$3,400,000 for the Southeastern Power Administration. I quote from the Congressional Record, volume 97, part 3, page 4282, what Mr. Gary said:

The purpose of this amendment is to prevent the useless expenditure of \$3,400,000 to the Southeastern Power Administration for the construction of transmission lines to duplicate existing lines now in operation.

Mr. Gary has the respect of every Member of the House. His amendment carried on the roll call by 248 yeas to 149 nays. I was glad to vote with Mr. Gary to prevent this waste.

ROLL CALL NO. 40, MAY 2, 1951

Congressman Harris, an able and respected Democrat of Arkansas, offered the amendment to reduce SWPA by \$550,000. In support of his amendment, I quote from the Congressional Record, volume 97, part 3, page 4295, his words, as follows:

Mr. Chairman, this amendment is an effort to reduce in some small way the burden—the load of the taxpayer. It does not handicap or adversely affect the program or service of the Southwestern Power Administration. * * * If there ever was a time when Federal expenditures unrelated to our national defense should be reduced to the bone, it is now.

I was glad to help save this \$550,000. The amendment carried by 222 yeas to 173 nays.

ROLL CALL NO. 41, MAY 2, 1951

Simply a vote for language to be inserted that no funds of the appropriation could be expended for the construction of facilities designated as comprising the western Missouri project. Yeas 247, nays 152.

ROLL CALL NO. 42, MAY 2, 1951

This motion was made to reduce the amount appropriated for Bonneville project by \$5½ million. However, that left \$62 million for that project, more than they could or did spend for the coming year. Motion carried 225 to 167. I voted to save \$5½ million.

ROLLCALL NO. 44, MAY 2, 1951

This had to do with construction under the Bureau of Reclamation, Mr. Taber made a motion to reduce the amount from \$207,190,000 to \$197,000,000. That still left an enormous sum. I voted "yea" to slow down the spenders; 237 voted "yea" to only 160 "no." I voted against unnecessary waste.

ROLLCALL NO. 45, MAY 2, 1951

This was an attempt on the part of the spenders to duplicate transmission lines already rendering adequate service; 226 voted "yea," only 165 voted "nay." I voted with the 226.

ROLLCALL NO. 32, APRIL 28, 1953

This vote was on a motion to recommit the bill which had been considered for many weeks by the Appropriations Committee, and had been approved by that committee after long hearings. The motion would add to the bill about

\$6,856,000 to be spent on various construction projects in the Southwest, West, and Northwest parts of the United States.

The motion was voted down by a vote of 212 to 167. I voted to prevent spending \$6,856,000, which was clearly unnecessary.

Mr. Speaker, in closing, on the rollcalls I have just listed I would like to point out that the Members of this House, by a big majority on every rollcall, voted as I did knowing it was our duty to prevent unnecessary waste of millions of dollars of the taxpayers' money. I am glad to have helped render that service.

RESOLUTION ON SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. Javits] is recognized for 20 minutes.

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to reduce my special order to 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I am glad we have a good attendance here preparing for the Republican conference, because I have something very serious to say to the House and it is a very fortuitous circumstance.

We have heard a lot pro and con about rules of congressional procedure for investigating committees in both this House and the other body.

There seems to be no practical way in which once an investigating committee is organized and endowed with an appropriation the House can recapture its control over it. We have in this body, in my opinion, a special committee which needs to have the recapture of control at least reviewed as far as the House is concerned. It is the Special Committee on Tax-Exempt Foundations.

The power of the whole House of Representatives being vested in any investigating committee the House should now assert the right to review that power with respect to its exercise by the Special Committee to Investigate Tax-Exempt Foundations. I am introducing a resolution for that purpose today the text of which is as follows:

Resolved, That the Committee on Rules is hereby authorized and directed after inquiry to make recommendations to the House of Representatives respecting the activities of the Special Committee to Investigate Tax-Exempt Foundations created pursuant to House Resolution 217, 83d Congress, and the termination thereof, the report thereof to the House of Representatives, the disposition of the papers and documents of the said special committee and such other measures relating thereto as may be appropriate.

It is high time that the House of Representatives asserted itself in one of these investigations that has gotten off the track, as the best answer to the danger of any loss of prestige which may be suffered by either House of the Con-

gress attributable to the excesses of congressional investigating committees. Having reported favorably House Resolution 217 to create the special Committee it should be a duty given to the Rules Committee to exercise legislative oversight over it, and my resolution so provides.

The case for action is clear. On July 2 after hearing 11 witnesses critical of the tax-exempt foundations and 1 witness favoring their activities, and before the foundations themselves were heard. the special committee abruptly ended further public hearings, saying statements could be submitted that could be made public. The predecessor Cox committee heard 40 though this present committee was said to be justified because its predecessor did not do a good enough job. Terminating public hearings when only one side has been heard is not the American way and the House should not tolerate it. It resulted in the New York Herald Tribune calling this particular inquiry a senseless investigation and the New York Times calling it another stupid inquiry. These are authoritative publications and such editorials are not conducive to the prestige the House seeks to, and should, sustain on a high level.

The whole investigation of foundations has been conducted upon the theory that the foundations have been engaged in some conspiracy to infiltrate socialism into American educational institutions and social life. As against this, we have the findings of the predecessor Cox committee unqualifiedly to the contrary. The Cox committee said in their report:

It seems paradoxical that in a previous congressional investigation in 1915 the fear most frequently expressed was that the foundations would prove the instruments of vested wealth, privilege, and reaction, while today the fear most frequently expressed is that they have become the enemy of the capitalistic system. In our opinion neither of these fears are justified.

Aside from the pressing needs of national security there are ever-widening and lengthening avenues of knowledge that require research and study of the type and kind best furnished or assisted by foundations. The foundation, once considered a boon to society, now seems to be a vital and essential factor in our progress.

The committee believes that on balance the record of the foundations is good. It believes that there was infiltration and that judgments were made which, in the light of hindsight, were mistakes, but it also believes that many of these mistakes were made without the knowledge of facts which, while later obtainable, could not have been readily ascertained at the time decisions were taken. It further believes that the foundations are aware of the ever-present danger and are exerting and will continue to exert diligence averting further mistakes. While unwilling to say the foundations are blameless, the committee believes they were guilty principally of indulging the same gullibility which infected far too many of our loyal and patriotic citizens and that the mistakes they made are unlikely to be repeated. The committee does not want to imply that errors of judgment constitute malfeasance.

Nothing material has appeared before the present committee to alter the validity of these conclusions of its prede-

cessor committee. I hope very much that my colleagues will very seriously think about this question of what control we do have and whether it is not vitally important that we have some residual control over these investigations as there is a possibility that they may go off the track.

Mr. Speaker, will the Mr. BUSBEY. gentleman yield?

Mr. JAVITS. I yield to the gentle-

man from Illinois.
Mr. BUSBEY. May I inform the gentleman that there are some of us in this body who do not take our evaluations of congressional committees from the New York Herald Tribune or from the New York Times. Some of us disagree violently with their position and I am one of them.

Mr. JAVITS. That is proper and the gentleman is entitled to his opinion. But the gentleman will notice that the first thing I spoke of was the cessation of any public hearings after one side was heard. I first gave the facts before I gave anybody's opinion.

Mr. JACKSON. Mr. Speaker, will the

gentleman yield?

Mr. JAVITS. I yield to the gentle-

man from California.

Mr. JACKSON. The House exercises its constant and continuing control over any investigating committee and at any time it is the consensus of the Members of the House that any committee has overstepped the bounds of decorum in the conduct of its operations it can cut off that appropriation.

Mr. JAVITS. I have suggested a means by the filing of this resolution by which the House can make its will felt. I think that some means to enable the Houses of the Congress to see to their own prestige is vitally needed here and in the other body.

TENTH ANNIVERSARY OF THE AS-SASSINATION OF THE GERMAN

The SPEAKER. Under special order heretofore entered into, the gentleman from California [Mr. Younger] is recognized for 30 minutes.

Mr. YOUNGER. Mr. Speaker, today, July 20, marks the 10th anniversary of the assassination of the German elite. In memory of that occasion I would like to read from an address delivered by Prof. Karl Brandt, associate director of the Food Research Institute, Stanford University, before the World Affairs Council of Northern California on July 8, when he said as follows:

We are assembled here today to pay our tribute of respect and admiration to those German men and women who put their lives at stake in resisting the tyranny and lawlessness of the Hitler regime, and who were assassinated for doing so. In honoring the memory of those gallant martyrs for the cause of freedom and human dignity, we have a phase of contemporary events to ponder which, for the vivid contrast between man's most vicious and diabolical capacities on one side and his noblest emotions and acts on the other, constitutes one of the greatest tragedies in the history of the west. We are commemorating those past events in a distant country tonight because they

give us an insight into the nature of the struggle of the free society in our day. In fact, this experience concerns all of us most intimately because what happened in Germany can happen anywhere in the world, at any time. Only a clear knowledge of what took place there, the will of those who believe in human dignity to make the sacrifice to preserve it, and eternal vigilance will spare other countries the same ordeal and the same tragic loss. While the scene and the special emphasis may change, the nature of the basic human problems as well as the potential human reaction to them will remain the same in any country. Only those afflicted with racialism would deny this, and endeavor to indict whole nations or other collective groups. For this reason we may remind ourselves that our present quarrel is not with the Russian people, but with a temporary regime which rejects the basic tenets of the philosophy of freedom.

What happened in Germany from 1933 until this day is full of meaning to us in America, the more so since we are intimately concerned with that country. The American people have twice defeated the German armed might in battle, and have twice done their best to rebuild Germany. Today our troops are protecting it and our Government still guides its course in domestic and foreign affairs. In 1933 Germany was 1 of the 3 leading and scientifically advanced industrial countries of the world; it had built a modern democracy and an orderly govern-ment by law. In that year it sank into totalitarianism, and almost perished.

Under the impact of a lost war, a disastrous runaway inflation, and the worldwide de-pression, the democratic German society of Weimar Republic foundered, owing to the same sort of political deadlock which at this very moment brings France, even in the midst of prosperity, to the edge of revolution. To grasp the enormity of the events that culminated in the assassination of the German elite after July 20, 1944, we must trace the rise of the tyrant and his might-is-right regime of terror and plunder.

By 1933, one-third of the working population of Germany was unemployed and living on a meager handout from the tottering democratic state. The impractical constitution of the Weimar Republic contributed considerably to this impasse, just as her un-workable constitution is troubling France today. Not quite one-half of the German cast for Hitler in 1933. He were promised employment, economic recovery, and new security. This platform made a lot of sense to many despairing people. After having gone through the agony of a misconstrued and sabotaged political process in a multiparty democracy, the German citizen felt that discipline under a dictator would get him out of the mess. President Franklin Roosevelt and Hitler were inaugurated about the same time on similar economic and social platforms: to start up the idle wheels of industry, to create full employment, to lift prices for the farmer, and to put planning and social reforms into the economic system. The two men were worlds apart in every sense, but it took Roosevelt until 1937 or 1938 fully to size up even the contours of Hitler's wickedness. The German people did not admire Hitler's looks, his harsh, rasping voice, his Austrian dialect, or his cheap, demagogic manners. But most of them felt that the deadlock in politics and economics had to be broken somehow, even if at the temporary cost of some liberties.

Late in March 1933 I asked farmers throughout the country why they had voted for Hitler. Their answer was: "How could for Hitler. you go on with such ruinous prices for wheat and rye and all the other products?" All they wanted was recovery-and this they got; Hitler rapidly gained more support.

Germany had had a long and honorable record along the lines of constitutional mon-

archy, two-house parliament, labor unionism, free press, and guaranty of civil liberties ever since the abortive revolution of 1848 which sent waves of democratic Germans to this country. Germany had also emancipated the Jews earlier than any other country, and they had contributed their fair share to government by law, to science, and to the arts. It had too broad and educated and experienced an intelligentsia not to see the devil's horns and hoofs under the Führer's uniform, which he revealed almost immediately. When Reichspräsident von Hindenburg received Hitler in 1932 as a candidate for the position of Reichskanzler, and asked what his conditions were. Hitler said, "I need the right to destroy physically my political opponents." The old gentlegasped, and, horror struck, inquired, "What did you say you wanted to do?" When Hitler stubbornly repeated his claim to the rank of overlord of gangsters, the field marshal snapped, "The audience is over."

Unfortunately for the Germans, the domestic political deadlock, the social distress, and the desolate international situation created such a crisis that a few months later Hitler acceded to power anyway. and his henchmen's orders were plain: tough, muss them up, spare nobody; crush any opposition physically—cow them all. This will change the situation and speed recovery." It actually did. But terror recovery." stalked the country from the day Hitler took over.

In December 1932 Ambassador Bullitt, special envoy of President-elect Roosevelt visited with me in Berlin. Democracy and government by law were still in force under Chancellor Schleicher, and the worst of the depression had been passed 6 months before. When Philip LaFollette, Governor of Wisconsin, toured Berlin with me in the spring of 1933, the atmosphere of intimidation and arbitrary use of power and perversion of truth and justice were already all around us. Assured of immunity by Göring, the Storm Troops were waging a civil war against all whom they proscribed. In the sanctum of a private club an air force officer mimicked Hitler before a small group. Hitler heard of the episode and ordered the man shot. Göring pleaded clemency. The officer was slain just the same. Jews, Catholics, liberals, Social Democrats, Freemasons, and all conscientious dissenters of any philosophy or conviction were under persecution. million Communists promptly sided with the ruling brand of totalitarianism; only a handful of outstanding figures were jailed.

By April 1933 storm troopers had taken over an abandoned brewery at Sachsenhausen near my family farm north of Berlin. A white-painted sign over the gate read: "Concentration camp of the standard 202 of the Soon two of my farm workers were taken to it for a week's education with rubber truncheons. Gradually the camp filled with inmates, and so did scores of others all over Germany.

In May 1933 I visited with my many Jew-ish friends during the first feeble boycott, and helped them plan how to get out from On July 15, 1933, my late friend, Hubert Knickerbocker, and Edgar Ansel Mowrer—both courageous American journalists of renown-told me the shocking facts of the "bloody night of Koepenick," in which a score of Social Democrats were murdered by the SA. In Kiel, the police surrendered a prisoner to a lynch mob. The aged former president of the police, von Jagow, commented: "In 84 years this is the first time such a thing has happened in the Prussian police force. It takes decades to build a reliable law-enforcement body, but only a few days to despoil it."

Thus far the atrocities were a domestic concern, but on June 30, 1934, the Hitler gang demonstrated its nature before the

world. In throwing down the supposed revolt of Captain Röhm, an orgy of annihila-tion of opponents swept Germany. Ex-Chancellor Kurt von Schleicher, his wife, General von Bredow, State Secretary Klausener, Vice Chancellor von Papen's assistant, Edgar J. Jung, and scores of others were slain in gangland style by SS murder detachments. Ex-Chancellor Heinrich Brüning and my friend Minister Gottfried Treviranus, through the courageous aid of British friends, just escaped being shot. Open terror glowered from the eye sockets of the death's head on the caps of the SS. Soon the Germans no longer dared to utter aloud the name "Himm-ler" or "Heydrich" for fear the sound of the dreaded names might kill. Thousands of doctors, scholars, and other professional men left the country because they were persecuted or had been declared racially, religiously, or politically undesirable. From 1933 to 1937 Hitler gave Germany full employment and recovery, and rearmed it to the teeth, bent all the time on revenge for Versailles and on the conquest of Europe, if not more, consumed by a morbid lust for power and more power.

With the success of domestic recovery, and unlimited rearmament, Hitler was presented with diplomatic success on a platter, first by France and Great Britain, then by Russia. While the Western democracies delivered Czechoslovakia to Hitler, Stalin went one step further and, in cahoots with Hitler, divided Poland and Rumania and gobbled up the Baltic States. This at long last brought appeasement to an end. Molotov and von Ribbentrop ratified this carnivorous deal. The same Mr. Molotov, incidentally, who is still ready, upon occasion, to offer similar deals, though now the conditions are

harder.

Hitler then went on the fatal warpath, and ultimately made the same error that Napoleon did—he invaded Soviet Russia, while the United States and Great Britain prepared for the onslaught which led to his doom.

In all the years from 1937 up to this day it has been claimed that all of this perversion of everything Germany had stood for in a long history was accomplished without the slightest civic revolt or even objection. It is no exaggeration to say that even though it has available the most elaborate means of information through radio comment, journals and magazines, and a vast array of news-gathering agencies, the American public still holds the view that all Germans became 100 percent Nazi the moment that Hitler became Chancellor. They have also been led to believe that it was inherently the will of all the people that this hideous system of denying all basic civil rights reflected their innate desire. The popular argument goes that the Nazi system was constructed by the most prominent philosophers and statesmen of Germany, with names like Kant, Fichte, Hegel, Nietzsche, and Bismarck studding the list. Supposedly all their philosophy, their political creed, together with their alleged opportunism, their docility, their servility, and their congenital militarism ended logically in licking with gusto the This theme has been boots of the tyrant. stated in endless variation by the army of ex-post philosophers and the always pcpular discoverers of the politically obvious truths of yesterday. Only for the German Jews is an exception made, although they, too, by cultural background and centuries of belonging to the German community were in every sense of the word Germans, and for the most part exemplary citizens, On them one bestows by a contemptuous act of grace absolution from German sin by racial exemption. Fortunately enough, the values of human dignity, freedom, truth—and faithfulness to them do not have any relation to race or color. The lack of knowledge in the American public about the

facts of the internal struggle against Hitler does not hurt the Germans, but it hurts us in our foreign policy and our understanding of history.

The truth is, indeed, radically different and much more complex. For many years, particularly so long as the emphasis was upon recovery, and again when it looked like success in war after the unexpected debacle of France, most of the German people went along with a national policy conducted by a totalitarian chancellor with antidemocratic means. There was a time in our own country when Anne Morrow Lindbergh's The Wave of the Future, which took it for granted that it did not make sense to swim against the current, was a best seller.

From the very outset there was a strong opposition to and a real resistance among the Germans against police-state rule in Hitler's regime. As I said before, it was in April 1933 that the Sachsenhausen brewery had been converted into a concentration camp. This evil punitive "educational" institution sprang up in many places all over Germany. The camps were soon overcrowded. Why? Because from the first days there was a determined resistance to the totalitarian state by individuals who could not stomach the arbitrariness and tyranny of the police state.

To resist the all-powerful, ruthless totalitarian police state of the 20th century and its psychiatric shrewdness in breaking man's personality and his will to resist is immeasurably more difficult than the ordinary citizen who has known nothing but government by law can possibly imagine, even nowdespite the fact that we know what happened to Cardinal Mindszenty, Robert Voge-ler, General Dean, and scores of other sturdy men. If you decided you could not go along with every whim of the Nazi regime, you had, even in the first days of the 12 years of Nazi rule, only two choices: Either you could emigrate or you could stay and resist, passively or actively. I chose the easiest way, emigration, because I was not sure I could stand up under the ordeal of solitary confinement, and I had many good friends in this country, and thus an easy opportunity to go. If the decision was to stay, as most Germans had to, and you were not a moral contortionist, it meant that at any time you might literally have to put your life at stake, with-out any assurance that anyone would ever know why you disappeared or even how. I question the right of the smart critic and the glib talker to sit in self-righteous judgment on the unfortunate people who were caught in the totalitarian trap. These critics pat themselves on the back, sure they would be quite different from the German peoplethe perfect heroes, hard as nails, and unflinching defenders of the faith in the face of sure death. Every individual is not a born martyr, whether he is a German, a Russian. a Frenchman, an American, a Jew, or a Gentile. He has an innate urge to survive, even under most excruciating conditions. If he has relatives, dependents, and friends whom his resistance would jeopardize, his urge to survive is intensified manyfold.

The late Gestapo and its sister organizations, the GPU and MVD, or whatever letters this modern corps of assistants to the police state uses for camouflage, are a tough lot, scientifically equipped with the latest electronic devices and the techniques of psychoanalytic and psychosomatic torture. As in any area where totalitarianism takes over, Nazi Germany cast fear into the hearts of its people by the ridiculously simple yet most effective device of inviting anonymous information about others—not only inviting it, but making it a criminal offense not to inform on others—even children on their parents and husbands on their wives.

You may sense from the following sample what it all amounted to. One of my late

friends, Secretary of Agriculture Dr. Hans Krüger, had this experience in 1935. The Gestapo notified him to appear before an inspector at headquarters 2 weeks after the date of the citation. When, slightly tattered by the waiting and the worry about the dreaded machine, Krüger appeared before the inspector, he was offered a cigar and requested to be at ease with, "Please relax and feel at home. You have recently been doing some unwise things. Oh, no? Would you like to read a little in your Gestapo file? Here it is—help yourself. No; take all the time you want to examine it; there's no My friend read and read and hurry." sweated blood as he read: here was an account of a private party he had given, attended by only three friends. Pieces of their conversation were on record—dangerous talk—revolt against the criminal regime, actual plans for sabotaging Nazi policies. inspector signed letters and puffed on his cigar as my friend read. "Please don't feel rushed," he urged. Finally, he told Krüger: "Don't be afraid. We won't arrest you. Just be advised that we are watching you. better go straight. I should deeply regret it if we had to hurt you, particularly since you have a wife and children. Watch your step. So long—have a good time."

All the men who revolted against the immorality of the whole hideous system knew that they were in a scientifically designed and efficiently operated trap. But a very large body of them went right ahead, and became accustomed to the always vigilant eyes and ears of the Gestapo and the presence of informers. It is beyond belief how this changes people who do not possess the strongest of nerves. I had a visit from my aged parents in 1937 in New Jersey. It took me about 10 days to persuade my father, at a lonely spot in the countryside, that it would be safe to have an open word with me about what was

going on at home.

You may ask when did the resistance begin to amount to anything, and did it ever succeed in impeding the Nazi regime seriously? Did they perhaps begin to resist only when the jig was up and the American, British, and Soviet armies stood inside Germany? These are certainly legitimate questions, and they cannot be answered simply in a general statement. Yet today we have an almost complete record of what did happen, particularly owing to the fact that the captured documents now housed in Alexandria, Va., comprise most of the Gestapo records. Owing to the German habit of never throwing away a piece of paper with anything written on it, we also have the police and jail records, and also German a vast literature of memoirs. There are more than 340 books dealing with the German resistance against Hitler.

What actually happened reflected anything but a uniform attitude. Some of the most lucid minds had sense enough to realize before Hitler came to power that he was an insane force, possessed of a satanic combination of skills and gifts tied to a morbid personality. They also knew that he had a rare and mystical sort of appeal to the mass mind and a psychopathic clair-voyance. When at Teheran President Roosevelt made a remark about "this fool, Hitler," Stalin quickly countered, "You cannot call this man a fool; anyone who has achieved that much in history is certainly no fool."

The men who had to deal with him first as genuine and legitimate opponents were the core of generals of the army whom Hitler had inherited from the small Reichswehr of the Weimar Republic. They were truly conservative men of advanced years, with combat experience in World War I, who were brought up in the Prussian puritanical spirit. Particularly after the disastrous loss of World War I, they were skeptical observers of political democracy in troubled times, and unquestionably great patriots. Generals

von Hammerstein-Equord, Beck, von Fritsch, von Witzleben, Oster, Carl Heinrich von Stülpnagel, von Brauchitsch, and the chief of the counter intelligence Admiral Canaris, to name only a few-all men of extraordinary stature—had made up their minds about who the sergeant of World War I really was. They saw in him the greatest menace to their country, and in fact to the future of government by law in Europe. They were government by law in Europe. conscientious men of order. Hitler was to them a mountebank and an illbred brigand. But they did not consider it their task to take over the political leadership. Neither in the United States, Germany, nor England has it been the normal course for the generals and admirals to take over political responsibility from duly appointed civilian cabinet officers who have legitimate authority. Hitler, in turn, knew who his deadliest enemies were, and did not shrink from using the vilest and most vicous methods of intrigue, bribery, and character assassina-tion to get rid of some of them and split the ranks. As the Nuremberg trials have proved, the German general staff was opposed to military adventures. It knew too well the limitations of German military and economic resources. Moreover, it had sense enough to realize that one could probably win battles, but never a war in which the United States and Great Britain would inevitably become involved. They distrusted Hitler on every ground—character, philosophy, maturity of judgment, and even more, political and military intuition. The assas sination, underworld style, which Hitler administered to Generals von Schleicher and von Bredow, to Messrs, Klausener and Jung and scores of others was-if anything of that sort was needed-an eyeopener to the general officers. These men knew far more than the public about the cold-blooded gang of killers that had seized the German power of government. The proper question of course is, if they did know so much, why did they not act and remove Hitler? of the most involved problems of the whole exasperating struggle between the resistence and the Hitler regime.

To begin with, these men actually did move all the time to achieve Hitler's elimination from power. But he surrounded himself with his own pretorian guards, the SS and the SD, and packed the Wehrmacht with young officers of his own choosing. Yet the military-resistance leaders joined with ci-vilian protesters, at first particularly those of the conservative wing. Among these men who were willing to resist actively were the former mayor of Leipzig, Dr. Karl Goerdeler, State Secretary Ernst von Weizsäcker, and former Reichsbank president, Hjalmar They planned for September 1938 a coup d'etat with troops prepared for the Exactly at that attack on Czechoslovakia. moment British Prime Minister Chamberlain, who had been advised of the conspiracy, told Hitler that he wanted to compromise on Czechoslovakia. On September 29 Hitler's victory at Munich was complete. It supposedly saved the peace but it deprived the generals of that opportunity to execute their

One of the most fateful errors of the generals of the resistance was their failure to prevent the invasion of Poland; at that time they could still have changed the whole course of history. What they did later was to try to stop the extension of the war to the west. They organized a refusal by the top command to order the attack, but two in their ranks refused to commit mutiny. Hitler again had it his way. By that time, however, the political activities of civilian members of the whole conspiracy became stepped up. They negotiated via Norway through intermediaries in London and at the same time sent an emissary, Dr. Adam yon Trott zu Solz by air via Gibraltar to Washington, D. C., where he negotiated on

behalf of the German resistance with leading political figures, among them Felix Mor-Justice Felix Frankfurter, and a number of diplomats. President Roosevelt, in close contact with London, turned down flat any attempt at negotiating with the German resistance. The same attitude prevance. London. The leading idea already was: Unhis way back to Germany via Japan and sia, Dr. von Trott stopped for a day at my home in Palo Alto. I bitterly criticized the leaders of the resistance for their fateful delays and hesitations, and ultimately said to my daring and well-shadowed guest that to stop the attack on Poland failure would ultimately lead to the total destruc-tion of Germany by the United States and his assassination and that of all his fellow conspirators by Hitler. Von Trott was one of the first to be murdered by Hitler's gang after July 20.

As the war went on, the activities in resistance circles began to coagulate, but this could never grow into a mass movement. All the work had to be underground by small groups of loyal friends. Men from all spheres of life took part. Many ran afoul of Gestapo agents posing as resisters. There were prominent and outstanding figures of labor, among them Dr. Julius Leber, Carlo Mierendorff, Theodor Haubach, and Wilhelm Leuschner in the civilian underground. (Kurt Schumacher had long since disappeared in a concentration camp.) Most powerful resistance centers were the Catholic and Protestant churches. Cardinals Faulhaber of Munich, Count von Galen of Münster, and Count von Preysing of Berlin fearlessly fought a running battle against the heathen creed, its racialism and inhuman traits, the killing of the insane, and the perversion of charity. They protected Jewish refugees and succeeded in saving a considerable number of them. Members of the confessional synod fought a pitched battle under the leadership of Pastors Niemoeller, Bonhoeffer, Lilje, Dibelius, Gerstenmaier, and a large number of outstanding laymen. The handful of Seventh Day Adventists were indomitable opponents, and marched into the concentration camps. Other small sects also had resistance cells. Diplomats Otto Kiep, Von Hassel, Von Trott, Von Weizsnaecker, Count Bernstorff, and Count von der Schulenburg were joined by agricultural leaders in all parts of Germany, by industrialists, mayors, administrators, and professors-particularly of the social sciences.

One of the most powerful spiritual centers of the resistance was the so-called Kreisaucircle under the leadership of Count Helmut James von Moltke. This circle did not work for the violent overthrow of the Hitler regime, but prepared spiritually and intellectually for the days to come after his downfall. This went so far that preparations were made for the structure of a new government and democratic representation of the people; a new constitution was written for a truly free society and government by law; and a roster of future political leaders and cabinet members was kept. The circle and their friends also prepared for bringing the Nazi leaders to trial in court for their crimes.

The philosophy of this circle offers the key to the thought of the Bonn government today. These men refused to interfere with the disaster which they saw coming, because they believed it vital for the restoration of a decent society that this time the wicked course of a ruthless power policy come to its logical end. They wanted no new legend about a betrayal of victory—certainly a momentous decision in view of the enormous disaster it involved. But these people felt that the scope of the catastrophe was no greater than was the disgrace and depravity which the Anti-Christ and his cohorts had brought upon the Germans in the West.

Aside from this circle, however, were increasing numbers of men, particularly among high-ranking officers of the Army, who believed that to prevent the total destruction of the country it was necessary to eliminate Hitler and his lieutenants. This conviction was deepened by the clear realization that Hitler, in his craze, was forcing these professional soldiers to commit more and more crimes against the rules of warfare and valid German and international law. Leaders of this group, aside from General Beck, were military leaders in the head-quarters of Army group central inside Russia, men in the command in Paris, and in the Wehrmacht command in Berlin.

On March 13, 1943, Colonel von Schlabrendorff placed a time bomb in Hitler's plane. Despite several months of careful preparation, and hundreds of trials with the type of bomb selected for use, the mechanism failed in practice. General von Gersdorff carried in his overcoat pockets two time bombs in order to blast Hitler and himself to bits, but Hitler left the meeting a few minutes before the bombs were due to explode. In the winter of 1943-44 some officers met with Hitler to display new uniforms, and brought along dynamite with which to kill him. An air raid interrupted the whole demonstration. In December 1943 Count Stauffenberg manipulated a bomb through the guards of Hitler's headquarters on an occasion when Hitler was expected for a conference, but Hitler canceled his appointment. All told, 10 separate attempts to kill Hitler were made before the portentous final

Finally, on July 20, 1944, Count Stauffenberg placed a bomb in a satchel beside Hitler's desk in his East Prussian field headquarters, "Wolfschanze," and the wooden shack blew up, wounding Hitler, but not killing him. The whole plot succeeded in Paris, and to some extent also in Berlin, where troop units went into action, but it succumbed to successful counteraction from Hitler's headquarters, and Hitler immediately began to liquidate the opponents who had revealed themselves.

From July 20 black terror raged throughout Germany and in all the German-occupied areas, just as the red terror gripped Soviet Russia after the attempt on Lenin's life. It reigned savagely for almost 10 fateful months, spurred by Hitler, the cornered power maniac, who now, in his doom, did what he had told Hindenburg he wanted to The Gestapo rounded up all known conspirators and by torturing the captives. brought many others to light. Until the very end, with foreign armies in Berlin, the assinations went on. All of the men were tortured, and after drumhead trials by the notorious people's court, were condemned to die. In a large number of cases concern-ing his most illustrious enemies, Hitler insisted on having the victims tortured to death gradually rather than summarily executed. Our Army captured the motion pictures he ordered taken of these nauseating scenes and at which he gazed during the final days in his bunker in Berlin.

This macabre business actually blotted out the main body of what one correctly can call the finest flower of the German nation that had resisted the tyrant and belonged to the leadership of Christendom. During the years 1933 to 1944 approximately 32,500 Germans were executed by so-called court procedure, not counting the vast number of victims who perished in concentration camps. Up to 1939 more than 1 million Germans had been sent to concentration camps; 300,000 of them were camp inmates in that year. The war cost the Germans, a nation of 67 million, 31/2 million soldiers and 500,000 civilians, but the assassination of the elite was definitely the greatest loss of The groups that composed the resistance and their members who were assassinated are too numerous to mention here. But they included also many brave German women and young people. The student circle, the White Rose, shook all of Munich into open revolt. Its leading members were executed. The Edelweiss circle in Hamburg was just as active and equally gallant.

In conclusion, we may say that there was considerable and morally very strong re-sistance against Hitler composed of extremely courageous men and women. These martyrs failed in their attempt to change the course of events by overthrowing the regime. But stating this means to misinterpret and ignore their real, tragic, yet glorious role in history. Their situation was tragic; no matter how they acted, they could not avoid violating their own code of values. They had to tackle a satanic personality who was one of the evil geniuses of history, holding in his hands more power than any other individual—a ruthless killer. On their freely chosen road to martyrdom, with the supreme sacrifice always before their eyes, they rose to a rare level of humaneness, and quite a number of them died as saints. The letters they wrote in their dungeon cells are part of the finest treasure of western civilization. What these people really achieved was the greatest victory man can ever win. July 20, 1944, was Germany's darkest day in historyand at the same time its brightest.

What an apocalyptic scene it was on that day, 10 years ago, in one of the enlightened and leading countries of the west: Total agony and disaster everywhere. Cities founded in Julius Caesar's time in smoking ruins. Mass suicide and murder at every hand. As in Biblical days God shook creation and a wicked man and his regime, meant to last for a thousand years, fell, while he was busy murdering his nation's elite. But in the darkness of the dungeon cell the light of goodness to man was shining, and human dignity and respect for the truth stood reaffirmed. The rebirth of the doomed nation began right there. And the martyrs knew that this was what they were dying for. The last words of one of them, Count Michael Matuschka, were, "What grace of God to be hanged for the honor of one's country on the day the cross is being raised."

The illustrious group of men and women who died for the cause of freedom are missed today in a thousand places. This is one of the great weaknesses in Germany and in Europe. But by the grace of God a small proportion of the martyred elite survived. The rain of bombs and fire that raged through Germany during the final phase of the war created such disorder that the systematic murder system of Hitler's henchmen was in some cases thrown out of gear. Soviet forces and American and British troops freed some of the victims awaiting execution. Today they are the ones who set the tune of politics and law and public morale in the Republic of Germany.

It is our good fortune that they do. But it also lays upon the statesmen of the other western nations the great responsibility of making up for the tragic failure to cooperate with those who became the victims of Hitler's revenge, and with members of the resistance who survived. These people especially merit the assistance of the western world in their efforts to build a better Europe. All who are gathered here to honor the memory of those martyrs have the duty and the privilege of spreading the truth about their struggle and to learn more about it ourselves.

My thoughts go in profound respect and sympathy to the many friends I lost on July 20 and to the widows of all the slain men who shared their struggle and ordeal and guard their spiritual estate. One of the doomed conspirators against Hitler, Pastor Dietrich Bonhoeffer, observed in Stations on the Road to Freedom, which he wrote in prison:

"Not in following will, but in doing and

daring of justice,
Not in possible deeds, but in real ones
bravely attempted,

Not in the flight of thought, but only in action, is freedom.

Up and out of your hesitant fear into storms of occurrence,

Only supported by God's command and the faith that is in you!

Freedom then shall receive your spirit with jubilant welcome."

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EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Record, or to revise and extend remarks, was granted to:

Mr. Lane and to include extraneous material.

Mr. HESS.

Mr. McDonough and to include an article.

Mr. Wolverton and to include extraneous material.

Mr. O'NEILL in two instances and to include extraneous material.

Mr. Rooney, the remarks he made in Committee of the Whole and to include extraneous matter.

Mr. MILLER of Kansas and to include extraneous material.

Mr. Wigglesworth to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Grant (at the request of Mr. Rains), for an indefinite time, on account of death of his mother.

ENROLLED BILLS SIGNED

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the

following titles, which were thereupon signed by the Speaker:

H.R. 130. An act to amend section 1 of the act approved June 27, 1947 (61 Stat. 189);

H. R. 5185. An act for the relief of Klyce Motors, Inc.;

H.R. 6786. An act authorizing the Secretary of the Interior to purchase improvements or pay damages for removal of improvements located on public lands of the United States in the Palisades project area, Palisades reclamation project, Idaho;

H. R. 7466. An act to authorize the Secretary of the Interior to execute an amendatory repayment contract with the Pine River Irrigation District, Colorado, and for other purposes:

H.R. 8026. An act to provide for transfer of title to movable property to irrigation or water users' organizations under the Federal reclamation laws;

H. R. 8983. An act to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla.

to the city of Muskogee, Okla.; H. R. 9005. An act to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177).

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1381. An act to amend the Agricultural Act of 1949;

S. 2367. An act to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture;

S. 2583. An act to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of having been infected with or exposed to the contagious disease vesicular exanthema:

disease vesicular exanthema; S. 2766. An act to amend section 7 (d) of the Internal Security Act of 1950, as amended:

S. 2786. An act granting the consent and approval of Congress to the Southeastern Interstate Forest Fire Protection Compact;

S. 3561. An act authorizing the Administrator of Veterans' Affairs to convey certain property to the armory board, State of Utah;

S. 3630. An act to permit the city of Philadelphia to further develop the Hog Island tract as an air, rail, and marine terminal by directing the Secretary of Commerce to release the city of Philadelphia from the fulfillment of certain conditions contained in the existing deed which restricts further development: and

velopment; and S. J. Res. 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on Governmental Use of International Telecommunications.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 19, 1954, present to the President, for his approval, bills of the House of the following titles:

H. R. 2617. An act for the relief of Guillermo Morales Chacon;

H. R. 2846. An act authorizing the President to exercise certain powers conferred upon him by the Hawaiian Organic Act in respect of certain property ceded to the United States by the Republic of Hawaii, notwithstanding the acts of August 5, 1939, and June 16, 1949, or other acts of Congress;

H. R. 4928. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the city of Clifton, N. J.;

H. R. 6263. An act to authorize the Secretary of Agriculture to convey certain lands

in Alaska to the Rotary Club of Ketchikan, Alaska:

H. R. 6882. An act to amend the act of September 27, 1950, relating to construction of the Vermejo reclamation project;

H.R. 6975. An act authorizing the Secretary of the Interior to convey certain lands to the Siskiyou Joint Union High School District, Siskiyou County, Calif.;

H. R. 7012. An act for the relief of Nicole Goldman;

H. R. 8549. An act granting the consent of Congress to The Breaks Interstate Park Compact;

H.R. 8713. An act to amend section 1 (d) of the Helium Act (50 U.S. C., sec. 161 (d)), and to repeal section 3 (13) of the act entitled "An act to amend or repeal certain Government property laws, and for other purposes," approved October 31, 1951 (65 Stat. 701):

H. R. 9242. An act to authorize certain construction at military and naval installations and for the Alaska Communications System, and for other purposes;

H.R. 9006. An act to authorize the Secretary of the Army to donate 28 paintings to the Australian War Memorial.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 21, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1755. A letter from the Assistant Secretary of State, transmitting a translation of note No. 3083, dated July 2, 1954, from His Excellency the Ambassador of Mexico, Senor Don Manuel Tello, expressing deep appreciation of the Government and people of Mexico for the assistance given during the recent floods along the Rio Grande; to the Committee on Foreign Affairs.

1756. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1757. A letter from the Administrative Assistant Secretary, Department of Agriculture, transmitting a report of claims paid for the period July 1, 1953, to June 30, 1954, pursuant to the Federal Tort Claims Act as reenacted (28 U. S. C. 2671-2680); to the Committee on the Judiciary.

1758. A letter from the Secretary of Commerce, transmitting copies of proposed legislation entitled "A bill to authorize the President to place Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey, on the retired list, in the grade of rear admiral (lower half) in the Coast and Geodetic Survey, at the time of his retirement, with entitlement to all benefits pertaining to any officer retired in such grade; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUB-LIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. HOPE: Committee of conference. H. R. 6783. A bill to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes (Rept. No. 2297). Ordered to be printed.

Mr. TOLLEFSON: Committee of conference. House Joint Resolution 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels and for other purposes (Rept. No. 2298). Ordered to be printed.

Mr. FORRESTER: Committee on the Judiciary. H. R. 6427. A bill for the relief of the State of North Carolina; with amendment (Rept. No. 2299). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 9740. A bill to provide for the relief of certain Army and Air Force nurses, and for other purposes; without amendment (Rept. No. 2300). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 2027. An act authorizing the Secretary of the Interior issue quitclaim deeds to the States for certain lands; without amendment (Rept. No. 2315). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 3302. An act granting to the Las Vegas Valley water district, a public corporation organized under the laws of the State of Nevada, certain public lands of the United States in the State of Nevada; with amendment (Rept. No. 2316). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 3699. An act granting the consent of Congress to a compact entered into by the States of Louisiana and Texas and relating to the waters of the Sabine River; without amendment (Rept. No. 2317). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLE of Missouri: Committee on Post Office and Civil Service. H. R. 7785. A bill to amend the Civil Service Retirement Act of May 29, 1930, to make permanent the increases in regular annuities provided by the act of July 16, 1952, and to extend such increases to additional annuities purchased by voluntary contributions; with amendment (Rept. No. 2318). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 8365. A bill to confirm the authority of the Secretary of the Interior to issue patents in fee to allotments of lands of the Mission Indians in the State of California prior to the expiration of the trust period specified in the act of January 12, 1891, as amended; without amendment (Rept. No. 2319). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 8821. A bill to authorize the exchange of lands acquired by the United States for the Catoctin recreational demonstration area, Frederick County, Md., for the purpose of consolidating Federal holdings therein; without amendment (Rept. No. 2320). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9679. A bill granting the consent of Congress to a compact entered into by the States of Louisiana and Texas and relating to the waters

of the Sabine River; without amendment (Rept. No. 2321). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9821. A bill to amend titles 18 and 28 of the United States Code; with amendment (Rept. No. 2322). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9751. A bill to authorize the Secretary of the Interior to sell and convey certain Parker-Davis transmission facilities and related property in the States of Arizona and California, and for other purposes; with amendment (Rept. No. 2325). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. S. 3506. An act to repeal the act approved September 25, 1914, and to amend the act approved June 12, 1934, both relating to alley dwellings in the District of Columbia; with amendment (Rept. No. 2326). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Post Office and Civil Service. S. 1244. An act relating to the renewal of star-route and screen vehicle service contracts; without amendment (Rept. No. 2327). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEARNS: Committee on the District of Columbia. S. 1585. An act to amend the District of Columbia Traffic Act, 1925, as amended; without amendment (Rept. No. 2328). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. S. 3233. An act to amend the Merchant Marine Act, 1936, to provide permanent legislation for the transportation of a substantial portion of waterborne cargoes in United States-flag vessels; with amendment (Rept. No. 2329). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEARNS: Committee on the District of Columbia. S. 3329. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to correct certain inequities; with amendment (Rept. No. 2330). Referred to the Committee of the Whole House on the State of the Union.

House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on
the District of Columbia. S. 3518. An act
to amend the laws relating to fees charged
for services rendered by the office of the
Recorder of Deeds for the District of Columbia and the laws relating to appointment of
personnel in such office, and for other purposes; without amendment (Rept. No. 2331).
Referred to the Committee of the Whole
House on the State of the Union.

House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. S. 3655. An act to provide that the Metropolitan Police force shall keep arrest books which are open to public inspection; without amendment (Rept. No. 2332). Referred to the Committee of the Whole House on the State of the Union.

Mr. TALLE: Committee on the District of Columbia. S. 3683. An act to amend the District of Columbia Credit Unions Act; with amendment (Rept. No. 2333). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Post Office and Civil Service. H. R. 5718. A bill to limit the period for collection by the United States of compensation received by officers and employees in violation of the dual compensation laws; without amendment (Rept. No. 2334). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 6127. A bill to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended, and for other purposes, with amendment (Rept. No. 2335). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 7484. A bill to authorize the United States Attorney for the District of Columbia to make the determination in proper cases whether prosecution of certain juveniles, charged with capital offenses, those punishable by life imprisonment and other felonies, shall be tried in the Juvenile Court of the District of without amendment (Rept. No. 2336). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 7670. A bill relating to the referral of cases by the Municipal Court for the District of Columbia to the District of Columbia Tax Court; with-out amendment (Rept. No. 2337). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 8915. A bill to amend the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of District of Columbia, to be known as "The Municipal Court of Appeals for the District of Columbia,' and for other purposes"; with amendment (Rept. No. 2338). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9194. A bill to provide for the conveyance of certain land owned by the Federal Government near Vicksburg, Miss., to Vicksburg, Miss.; with amendment (Rept. No. 2339). to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 8590. A bill to amend title IX of the District of Columbia Revenue Act of 1937, as amended; without amendment (Rept. No. 2340). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Illinois: Committee on the District of Columbia. House Joint Resolution 560. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the American Legion National Convention of 1954, to authorize the granting of certain permits to the American Legion 1954 Convention Corp. on the occasion of such convention, and for other purposes; without amendment (Rept. No. 2341). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Illinois: Committee on the District of Columbia. House Joint Resolution 561. Joint resolution to authorize the quartering in public buildings in the District of Columbia of troops participating in activities related to the American Legion National Convention of 1954; with amendment (Rept. No. 2342). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on ne District of Columbia. H. R. 8128. A bill to modify the requirement for an oath in certain cases in attachment proceedings in the District of Columbia; with amendment (Rept. No. 2343). Referred to the House Calendar.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 9882. A bill to incorporate the Foundation of the Federal Bar Association; with amendment (Rept. No.

2344). Referred to the House Calendar. Mr. ALLEN of Illinois: Committee on Rules. House Resolution 650. Resolution

for consideration of H. R. 9666. A bill to amend section 1001, paragraph 412, of the Tariff Act of 1930, with respect to hardboard;

without amendment (Rept. No. 2345). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 651. Resolution for consideration of H. R. 9785. provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex.; without amendment (Rept. No. 2346). Referred to House Calendar.

Mr. KEATING: Committee on the Judiary. H. R. 3534. A bill to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls; with amendment (Rept. No. 2347). Referred to the Committee of the Whole House on the State of the

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLU-TIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 555. An act for the relief of Charles W. Gallagher; with amendment (Rept. 2301). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 820. An act for the relief of the estate of Carlos M. Cochran; with amendment (Rept. No. 2302). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary: S. 1183. An act for the relief of John L. de Montigny; with amendment (Rept. No. 2303). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary: 1702. An act for the relief of Emilia Pavan; with amendment (Rept. No. 2304). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 3062. An act for the relief of the American Surety Co. of New York and certain other surety companies; without amendment (Rept. No. 2305). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 3064. An act for the relief of the estate of Mary Beaton Denninger, deceased; with amendment (Rept. No. 2306). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 703. A bill for the relief of Edwin K. Stanton; without amendment (Rept. No. 2307). Referred to the Com-mittee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 638. Resolution providing for sending to the United States Court of Claims the bill (H. R. 5813) for the relief of Jacksonville Garment Co.; without amendment (Rept. No. 2308). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judi-House Resolution 637. Resolution providing for sending to the United States Court of Claims the bill (H. R. 6242) for the relief of the West Coast Meat Co., of Hayward, Calif.; without amendment (Rept. No. 2309). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 3014. A bill for the relief of Dr. Alfred L. Smith; without amendment (Rept. No. 2310). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 7099. A bill for the relief of Eugene Spitzer; with amendment (Rept. No. 2311). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 7497. A bill for the relief of Roy M. Butcher; without amendment (Rept. No. 2312). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8281. A bill for the relief of the estate of William B. Rice; with amendment (Rept. No. 2313). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 9261. A bill for the relief of Clement E. Sprouse; with amendment (Rept. No. 2314). Referred to the Committee of the Whole House.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 7881. A bill to validate a conveyance of certain lands by Southern Pacific Railroad Co., and its lessee, Southern Pacific Co., to Morgan Hopkins, Inc.; without amendment (Rept. No. 2323). Referred to the Committee of the Whole House.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 3303. act granting to Basic Management, Inc., a private corporation organized under the laws of the State of Nevada, certain public lands of the United States in the State of Nevada; with amendment (Rept. No. 2324). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H.R. 9954. A bill to amend the United States Cotton Standards Act and for other purposes; to the Committee on Agriculture.

By Mr. BELCHER: H. R. 9955. A bill relating to income tax treatment where taxpayer recovers a sub-stantial amount held by another under claim of right; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan: H. R. 9956. A bill to provide for Federal

financial assistance to the States and Territories in the construction of public elementary and secondary school facilities; to the Committee on Education and Labor.

By Mr. HOPE:

H. R. 9957. A bill relating to the financial structure of production credit associations; to the Committee on Agriculture.

By Mr. KEARNS:

H.R. 9958. A bill to authorize the Commissioners of the District of Columbia to designate and regulate holidays for the officers and employees of the District of Columbia for pay and leave purposes; to the Committee on the District of Columbia.

By Mr. PHILLIPS:

H. R. 9959. A bill to extend the authority of the American Battle Monuments Commission to all areas in which the Armed Forces of the United States have conducted operations since April 6, 1917, and for other purposes; to the Committee on Foreign Affairs. By Mr. RADWAN:

H.R. 9960. A bill to provide increases in the monthly rates of compensation payable to certain veterans and their dependents; to the Committee on Veterans' Affairs.

H. R. 9961. A bill to increase by 5 percent the rates of pension payable to veterans and their dependents; to the Committee on Veterans' Affairs.

By Mr. MACK of Washington:

H.R. 9962. A bill to increase by 5 percent the rates of pension payable to veterans and their dependents; to the Committee on Veterans' Affairs.

By Mr. ABERNETHY: H. R. 9963. A bill to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. BOLAND:

H. R. 9964. A bill to provide for the con-struction of a nonsectarian chapel at the Veterans' Administration hospital at Northampton, Mass.; to the Committee on Veterans' Affairs.

By Mr. DONOHUE:

H. R. 9965. A bill to provide for loans to enable needy and scholastically qualified students to continue post-high-school education; to the Committee on Education and

By Mr. BROYHILL:

H.R. 9966. A bill to establish for officers and members of the fire department for the Washington National Airport the same basic salaries as are provided by law for officers and members of the Fire Department of the District of Columbia, and for other purposes; to the Committee on Post Office and Civil Service

By Mr. TEAGUE:

H. R. 9967. A bill to regulate the election of delegates representing the District of Columbla to national political conventions, and for other purposes; to the Committee on the District of Columbia.

By Mr. LANE:

H. J. Res. 562. Joint resolution directing the President to sever trade relations with the Soviet Union, Communist China, and their satellites; to the Committee on Ways and Means.

By Mr. SIMPSON of Illinois:

H. J. Res. 563. Joint resolution relating to sales of Commodity Credit Corporation corn; to the Committee on Agriculture.

By Mr. RILEY:

H. J. Res. 564. Joint resolution to release reversionary right to improvements on a 3acre tract in Orangeburg County, S. C.; to the Committee on Agriculture.

By Mr. SHAFER:

H. Con. Res. 256. Concurrent resolution expressing the sense of the Congress as to use of funds appropriated by the Congress for rehabilitation of the Republic of Korea for the encouragement of private enterprise in said Republic of Korea; to the Committee on

Foreign Affairs.

By Mr. HINSHAW:

H. Con. Res. 257. Concurrent resolution authorizing the printing of additional copies of the hearings relative to the contribution of atomic energy to medicine; to the Com-mittee on House Administration.

By Mr. PRICE:

H. Res. 647. Resolution for the study and investigation of health and sanitary conditions in the commercial slaughtering and processing of poultry; to the Committee on Rules.

By Mr. JAVITS:

H. Res. 648. Resolution to extend greetings to the Gold Coast and Nigeria; to the Committee on Foreign Affairs.

H. Res. 649. Resolution to provide for inquiry and report by the Committee on Rules on the Special Committee to Investigate Tax-Exempt Foundations; to the Committee

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of Pennsylvania: H. R. 9968. A bill for the relief of the estate of James F. Casey; to the Committee on the

By Mr. DAWSON of Utah:

H.R. 9969. A bill for the relief of Teru Juan Tsutsui; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 9970. A bill for the relief of Cosimo Polo; to the Committee on the Judiciary.

By Mr. DONOHUE: H. R. 9971. A bill for the relief of Arthur Ronald Tower; to the Committee on the Judiciary.

By Mr. DORN of New York: H. R. 9972. A bill for the relief of Michaela Murphy Mole; to the Committee on the Judiciary.

By Mr. GREEN:

H. R. 9973. A bill for the relief of Tina Cipriani Ozelski; to the Committee on the Judiciary.

By Mr. KEATING (by request): H.R. 9974. A bill for the relief of John Meredith McFarlane; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 9975. A bill for the relief of Solomon S. Levadi; to the Committee on the Judiciary.

By Mr. OSMERS: H.R. 9976. A bill for the relief of Ivar Refne Hansen; to the Committee on the Judiciary.

By Mr. ROBSION of Kentucky: H. R. 9977. A bill for the relief of Lillian Sorensen Howell; to the Committee on the Judiciary.

By Mr. SAYLOR:

H.R. 9973. A bill for the relief of Alberto Rosa; to the Committee on the Judiciary. By Mr. WALTER:

H. R. 9979. A bill for the relief of Richard, Clara, and Elizabeth Giampietro; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1108. By Mr. KING of California: Petition of the Board of Supervisors of the County of Los Angeles opposing enactment of S. 1555, H. R. 4449, S. 964, and H. R. 236 or similar legislation pending in the Congress of the United States pertaining to Colorado River water; to the Committee on Interior and Insular Affairs.

1109. By Mr. WILLIAMS of New York: Petition of Miss Anna M. Sweet and others, favoring the Bryson bill, H. R. 1227; to the Committee on Interstate and Foreign Com-

1110. Also, petition of a group of citizens from Ilion, N. Y., favoring the Bryson bill, H. R. 1227; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Opinion Poll Report for the 11th Congressional District of Massachusetts

EXTENSION OF REMARKS

OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1954

Mr. O'NEILL. Mr. Speaker, I am more than happy at this time to place in the CONGRESSIONAL RECORD the tabulated results of a questionnaire which I sent early this spring to the residents of the district which I represent here in the House of Representatives.

My objectives in sponsoring this referendum were threefold:

First. To promote responsible citizenship by stimulating the widest possible discussion and understanding of major legislative issues of current concern;

Second. To determine in broad terms, for my own benefit, the attitudes and opinions of my constituents on these issues; and

Third. To enable me to present to Congress, for its consideration, the views of an important segment of the voting population.

The number of responses which I have received has been most gratifying, and I am proud of the active, aroused public interest in governmental affairs which has been displayed.

FOREIGN POLICY

1. Do you approve of the present method of handling our international relations? Yes, 1,761; no, 2,537; no opinion, 754.

2. Do you believe that the United States Government should continue our foreign-aid program? Yes, 3,094; no, 1,605; no opinion, 635.

3. Do you feel that we should continue military aid to foreign nations? Yes, 3,378; no, 1,122; no opinion, 734.

4. Do you favor the continuation of economic aid to foreign nations? Yes, 3,162; no, 1,360; no opinion, 712.

5. Do you support the point 4 program (supplying technical assistance, manufacturing know-how, and management skills to undeveloped nations to help them help themselves)? Yes, 3,235; no, 530; no opinion, 979.

(a) Do you believe this program should be reduced? Yes, 510; no, 1,413; no opinion, 1.048.

6. Do you believe that Russia should be permitted to remain in the United Nations?

Yes, 2,274; no, 2,110; no opinion, 850.
7. Do you believe that Communist China should be seated in the United Nations? Yes, 723; no, 3,907; no opinion, 604.

TARIFF POLICY

1. Do you suport the present methods of handling tariffs? Yes, 902; no, 2,021; no opinion, 2,311.

2. Do you believe that foreign goods should come into the United States regardless of the effect that it may have on the American worker? Yes, 743; no, 3,538; no opinion, 953.

3. Do you understand the present Govern-ment method of handling tariffs? Yes, 1,714; no, 2,124; no opinion, 1,396.

1. Do you favor conferring statehood on-Yes, 3,810; no, 1,676; no (a) Alaska? opinion, 689.

(b) Hawaii? Yes, 3,830; no, 694; no opin-

TAX POLICY

1. Do you believe that the Federal Government should spend more money than it receives in income? Yes, 1,685; no, 2,693; no opinion, 856.

If opposed, which of these steps would you take?

(a) Keep taxes high? Yes, 1,240; no, 1,430; no opinion, 2,564.

(b) Cut domestic spending? Yes, 1,940;

no, 983; no opinion, 2,157.

2. Do you feel taxes should be cut more than they already have been? Yes, 1,796; no, 1,940; no opinion, 1,498.

3. Do you support an increase in the exemption for dependents? Yes, 2,881; no,

1,598; no opinion, 855.
4. Do you favor cutting income taxes across the board percentagewise? Yes, 1,586; no, 2,540; no opinion, 1,077.

5. Do you believe in more exemption for dividends and other unearned income? 1,208; no, 2,339; no opinion, 1,087.

6. Do you support exemptions to cover expenses for college education? Yes, 2,581; no, 1,956; no opinion, 697.

7. Do you favor an exemption for the first \$1,500 of retired income? Yes, 2,568; no, 1,744; no opinion, 922.

SOCIAL SECURITY, HEALTH, AND WELFARE

1. Do you believe that the present 2 percent social security tax on the employee should be maintained? Yes, 3,551; no, 839; no opinion. 844.

2. Do you believe it should be returned to 11/2 percent? Yes, 807; no, 3,174; no opinion,

3. Do you support an increase in old-age assistance benefits? Yes, 3,608; no, 764; no opinion, 762.

4. Do you favor an increase in the death enefits under social security? Yes, 2,986; benefits under social security?

no, 1,435; no opinion, 1,148.

5. Do you believe that hospitalization, sickness and accident insurance should be covered by Federal law? Yes, 1,825; no, 2,527; no opinion, 882.

HOUSING

- 1. Do you believe that more low-cost housing should be built by the State and Federal governments? Yes, 2,906; no, 1,631; no
- 2. Do you believe these should be multipleunit dwellings? Yes, 992; no, 1,878; no opinion, 1,547.

 3. Do you believe they should be in three-
- family units? Yes, 1,074; no, 1,758; no opinion, 1,585.

1. Are you in favor of raising the minimum Yes, 3,183; no, 1,283; no opinion, 768.

2. Do you feel this would be helpful to New England insofar as competing with the Southern States is concerned? Yes, 2,428; no. 1.442; no opinion, 1.364.

3. In your opinion could small business afford an increase? Yes, 2,198; no, 1,310; no

opinion, 1,726.

- 4. Do you believe that the Taft-Hartley Act is fair to management and labor? Yes, 1,506; no, 1,755; no opinion, 1,156.
- (a) Would you favor outright repeal? Yes, 762; no, 2,902; no opinion, 1,570.
- (b) Would you favor changes through amendments? Yes, 2,986; no, 698; no opinion, 1,550.
- 5. Are there sections of this law which you feel are oppressive to workers? Yes, 2,332; no, 1,374; no opinion, 1,528.
- 6. Are there in your opinion, sections which are oppressive to small business? Yes, 1,805; no, 1,342; no opinion, 2,187.

ST. LAWRENCE SEAWAY

1. Do you understand the questions in-

volved in the St. Lawrence Seaway? Yes, 2,584; no, 1,341; no opinion, 1,309.

2. Do you feel that the construction of the seaway would hurt employment in our area? Yes, 1,481; no, 2,022; no opinion, 1,701 1.731

3. Do you believe the St. Lawrence Seaway would hurt the future economy of the New England area? opinion, 1,767. Yes, 1,591; no 1,876; no

VOTING AGE

1. Do you believe that persons who are 18 years old should be given the right to vote in national elections? Yes, 1,897; no, 2,832; no opinion, 505.

LOCAL ISSUES

1. Do you believe that the port of Boston should have more Federal assistance? Yes, 3,362; no, 715; no opinion, 1,157.

2. In your opinion, is the Federal Govern-

ment treating New England fairly on the policy of defense cutbacks? Yes, 809; no, 2,399; no opinion, 2,026.

No Seating of Red China in U. N.

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1954

Mr. LANE. Mr. Speaker, under leave to extend my remarks, I wish to include my statement registering my approval of House Joint Resolution 627, reiterating the opposition of the United States House of Representatives to the seating of the Communist regime in China in the United Nations:

NONE FOR, IS HOUSE SCORE ON ADMISSION OF RED CHINA TO THE U. N.

to wit:

Red China thumbed its nose against the United Nations when it invaded Korea.

Red China was indicted as an aggressor.

It still is.

Far from repenting or making amends the Chinese Communists continued their ag-gression against another neighbor, Indochina. At the beginning, an effort was made to represent this as a revolution within Indochina. That pretense has now been junked. It is the Chinese Communist leaders who will decide the fate of that

country.

Aggression, plus aggression, compounded by insolence that demands complete surrender by the United Nations.

Will the British never learn?

The pattern that led to World War II is being repeated, but the British and other wishful nations, are making the same old blunders.

The rationalizing process is in full swing. The bait of trade and the illusion of coexistence are being used to gloss over realities.

The U. N. as constituted has no legal or military authority to protect the peace.

Only as it speaks up bravely and resolutely for moral principles in the settlement of international disputes will it have any meaning or prestige.

When morality is abandoned nothing is

The United Nations will become as lifeless as the old League of Nations if it fails to take a stand now.

Appeasement is still appeasement, no matter how it is disguised.

The Communists are amused and are emboldened by this servile weakness on the part of once-great nations.

Cowardly concessions only win Red con-

If the U. N. gives in now it is gone.

There is not much time left to provide with backbone.

Americans believe in fair play. When the chips are down they will, as they have al-

ways done, speak up unafraid for what is right and just.
They did so last week.

The United States House of Representatives by a unanimous vote of those present, 385 to 0, served notice on the world that the American people are completely and vigorously opposed to the admission of the defiant aggressor, Red China, into the family of nations.

Nothing in my experience as a Congressman gave me a greater thrill than that resounding rejection of those who think that right and wrong are interchangeable, who would ape communism by putting expediency above eternal truths.

The conscience of America spoke in that vote.

It told of a retreat that was over, of a counterattack that has just begun. Time and again we have made concessions hoping that Communist Russia and Communist China would learn to mend their ways, so that they could be genuinely accepted into the family of nations on a basis of mutual trust that would never betray the peace.

That day is done.

The Red record is one long list of betravals.

The time has come when the Reds must purge themselves of their aggressions first before they can ever hope for admission into of law-abiding nations. the society

The United States, speaking for all who believe in liberty and justice, has made a clear and irrevocable decision.

Red China will never be admitted to the U. N. until it makes restitution for the crimes it has committed against the peace of the world.

Los Angeles Keeps Right On Growing and Expanding

EXTENSION OF REMARKS

HON, GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES Tuesday, July 20, 1954

Mr. McDONOUGH. Mr. Speaker, the city of Los Angeles with its numerous suburbs, suburbs which are cities of many thousands in their own right. originated in and spread over the Los Angeles Basin, an extensive area stretching from the sea over lowland areas to gentle rising slopes which suddenly plunge upward to the sky forming a magnificent background of lofty mountains rising to a height of 10,000 feet above the sea.

Modern roads climb the mountainous terrain back of the city affording birdseye views that are spectacular and brilliant. Viewed from a high vantage point the city stretches for miles in every direction and to the very edge of the blue Pacific itself.

Looking across this vast metropolis, it is difficult to realize that the first expedition of white men to visit this area arrived in 1769. The area was described at that time as a "very spacious valley, well grown with cottonwoods and sycamores, among which ran a beautiful river."

Los Angeles was settled with 44 colonists in 1781, just a scant 171 years ago, and named El Pueblo de Nuestra Senora la Reina de Los Angeles de Porciuncula.

By 1790 the name was shortened to Los Angeles, and the population had increased to 139.

Originally under the Spanish standard, Los Angeles later became part of Mexico, and in 1847 when Mexico surrendered the territory of California to the United States, Los Angeles was the capital and chief metropolis of the territory with a population of 5,000. In that year San Francisco, known as Yerba Buena, was only a tiny mud pueblo.

With the discovery of the first nugget in northern California, the gold rush was on, and the growth of Los Angeles halted, but this was only a temporary set-back. For Los Angeles had a glorious destiny to fulfill and would not be denied.

By 1890 the population of Los Angeles had swelled to 50,000. In the next 10 years, at the turn of the century, it reached 102,000. Ten more years saw the population reach over 300,000 as Los Angeles became the 16th largest city in the United States.

Today more than 7 million people live in the "economic sphere" of the Los Angeles area, and the latest figures resulting from a special census of September 1953, place the population of Los Angeles at 2.104,663.

The following summary of the economic sphere of the Los Angeles area, and the city's growth, clearly outlines the important part Los Angeles has in the economy of the State of California and of the Nation:

MORE THAN 7 MILLION PERSONS IN THE LOS ANGELES AREA'S ECONOMIC SPHERE

California has 2 of the 10 largest centers of population and business volume in the United States. With respect to most of the important measures of economic size, the Los Angeles metropolitan area ranks third in the Nation and the San Francisco-Oakland metropolitan area ranks sixth.

The economic life of the southern portion of the State naturally tends to center around the Los Angeles area, and the northern portion around the San Francisco area—although there are a number of other communities such as San Diego, Fresno, San Jose, Sacramento, Bakersfield, and Santa Barbara which constitute large consuming markets and which are substantial centers of production and distribution in their own right.

For many years there has been recurrent discussion as to the extent and bounds of the territory which is in the Los Angeles economic sphere. What are the limits of the territory which can be served more economically and more advantageously from the Los Angeles area than from the San Francisco area? In marketing their agricultural, mineral, and factory production, which communities are oriented more toward the southern metropolis and which toward the northern center? What, in brief, are the geographic boundaries of the territory in which the Los Angeles area has a greater economic stake than her sister metropolis to the north?

Over the years, these and related questions have been considered by sales managers, economists, market research analysts, and others. The answers reached have not always been in agreement. This has been due in part to the fact that for many years the extent of the Los Angeles economic sphere has been gradually expanding. And, in any locality, it takes time for changes

in the economic environment to alter business relationships and ties which have had a long historical basis.

San Francisco was a large city when Los Angeles was still a small town. In 1870, for example, the Bay City's population was 149,-473 as compared with 5,728 for Los Angeles. Over the decades, rapid growth continued in both areas, but particularly in the south. The Los Angeles area eventually moved into the lead in population and in volume of business—and has continued to extend that lead.

According to estimates by the State department of finance, the population of the Los Angeles metropolitan area on July 1, 1953, was 4,485,900—double the total of 2,-450,700 for the San Francisco-Oakland metropolitan area.

The United States Bureau of the Census has conducted 84 special population counts in the southern half of California since the nationwide census of April 1, 1950.

All of these special censuses have been at the request and at the expense of the communities involved. They have been prompted principally by the desire of the various communities to obtain more current—and hence larger—official population figures to be used in connection with the distribution of State gasoline tax funds.

	Date of latest special census	Apr. 1, 1950, census	Special census	Percent change
Los Angeles County:			, land	
Alhambra	Sept. 25, 1953	51, 359	53, 558	+4.3
Burbank	June 25, 1953	78, 577	88, 043	+12.0
Claremont	Apr. 15, 1953	6, 327	7, 814	+23.5
Covina		3, 956	6, 452	+63.1
Culver City	Feb. 12, 1953	19, 720	28, 186	+42.9
El Segundo	Apr. 10, 1953	8, 011	9, 890	+23.5
Gardena		14, 405	17, 415	+20.9
Glendora				
	Jan. 28, 1953	3,988	5, 290	+32.6
Los Angeles	Sept. 26, 1953	1, 970, 358	2, 104, 663	+6.8
Hawthorne	June 4, 1953	16, 316	21,098	+29.3
Hermosa Beach	July 21, 1953	11,826	14,004	+18.4
Manhattan Beach		17, 330	26, 315	+51.8
Maywood		13, 292	13, 483	+1.4
Monrovia		20, 186	23, 408	+16.0
Montebello	Nov. 17, 1953	21, 735	26, 087	+20.0
Monterey Park		20, 395	25, 467	+24.9
Pomona	Oct. 5, 1953	35, 405	44, 669	+26.2
Redondo Beach		25, 226	35, 706	+41.5
San Fernando	May 8, 1953	12, 992	14, 299	+10.1
South Pasadena	May 7, 1953	16, 935	18, 025	+6.4
West Covina		4, 499	13, 088	+190.9
Inglewood		46, 185	50, 346	+9.0
Lynwood	Nov. 4, 1953	25, 823	28, 124	+8.9
Santa Monica	Nov. 4, 1953	71, 595	75, 132	+4.9
Torrence	Nov. 4, 1953	22, 241	44, 914	+101.9

Health Reinsurance

EXTENSION OF REMARKS

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1954

Mr. WOLVERTON. Mr. Speaker, the following is a notice I have issued as chairman of the Committee on Interstate and Foreign Commerce with reference to further hearings to be conducted by the committee on the subject of Health Reinsurance, as provided for in H. R. 8356.

It reads as follows:

HEALTH REINSURANCE

Representative Charles A. Wolverton, Republican, of New Jersey, chairman of the House Committee on Interstate and Foreign Commerce, announced today that the committee would meet in executive session next Tuesday, July 20, to consider H. R. 8356, the health-reinsurance bill, which the committee had previously reported out and recommended for passage, but which the House last Tuesday recommitted to the committee. Chairman Wolverton said:

"I am bringing the matter before the committee in accordance with the vote of the House that further consideration be given to the bill by the committee.

"In accordance with these instructions, the meeting will be held to consider any amendments that anyone may wish to offer. I am hopeful that the American Medical Association will avail itself of this opportunity to present any amendments it may wish the committee to consider. This opportunity has been repeatedly extended to the AMA since January 28, 1954.

"On that date, in introducing Dr. Walter B. Martin, president-elect of the American Medical Association, who was testifying in our health inquiry, I said:

"It has seemed to me, however, that no one should be in better position to set forth for us a concrete proposal of just what can be done to provide a real and adequate protection against these costs than the medical profession itself, as represented in its official organization, the American Medical Association. This is an association of men who have dedicated their lives to the mitigation of human suffering—men devoted to making available the best of medical care to all of our people, regardless of their economic status.

"'We, therefore, confidently look to them to come forward with a constructive program to meet this problem, one of the greatest facing us today."

"Neither at that time nor at any time thereafter, including the appearance on April 5, 1954, of Dr. David B. Allman, chairman of the association's committee on legislation, to testify on this bill, have any representatives of the association come forward with one constructive idea or proposal for meeting this serious and important problem facing our American people today.

"It is amazing that the association's opposition is predicated entirely on questions which it raises in the insurance field. The association in no way whatsoever opposes the bill on any medical grounds or on any suggested interference with the practice of medicine or anything having to do whatsoever with the field in which the association's members are engaged.

"In connection with this committee meeting on Tuesday, I want to emphasize my complete agreement with President Eisenhower's statement that he did not consider that anyone lost by the House action last Tuesday except the American people, but that it was only a temporary defeat."

Compact Relating to Higher Education and Establishment of New England Board of Higher Education

EXTENSION OF REMARKS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES Tuesday, July 20, 1954

Mr. O'NEILL. Mr. Speaker, I would like to comment for a moment on the bill H. R. 9712, presently pending before the House Committee on Education and Labor, having to do with the Congress granting certain New England States the privilege to enter into a compact relating to higher education and the establishment of a New England Board of Higher Education.

In this connection, I would like at this time to express my great appreciation to one of my former colleagues in the Massachusetts Legislature, Wilfred S. Mirsky, of Boston, the former chairman of the Massachusetts House Committee of Education, and an outstanding Democrat, for his concerted efforts on behalf of this compact in particular, and his wholehearted aid in the education field in our Commonwealth.

Mr. Mirsky is currently the counsel to the Massachusetts commission, and his ability and handiwork has been most important to the successful drafting and passage of this compact through the legislature. The compact was approved in Massachusetts on June 7, 1954. The granting of congressional consent was brought before this House in the manner of a bill, H. R. 9712, 83d Congress, 2d session.

The purposes of the New England higher education compact shall be to provide greater educational opportunities and services through the establishment and maintenance of a coordinated educational program for the persons residing in the several States of New England parties to this compact, with the aim of furthering higher education in the fields of medicine, dentistry, veterinary medicine, public health, and in professional, technical, scientific, literary, and other fields.

The drafting of this compact as it was presented to the Massachusetts Legislature was most competently handled by Mr. Mirsky, and the very great thought and educational ideals of this man may be evidenced on every page.

Under Mr. Mirsky's leadership, the Democratic Party in the Commonwealth of Massachusetts initiated and passed the first antidiscrimination laws in the Commonwealth assuring all citizens an equal opportunity for higher education, at the same time securing a program of hot lunches in the public schools by having the Commonwealth cooperate with the existing lunch programs of the municipalities and the Federal Government.

The Democratic Party in Massachusetts launched a new school-building program to promote better educational facilities thereby improving opportunities for the children of the Commonwealth. The Massachusetts schoolbuilding-assistance program, incidentally, has become one of the leading in the Nation.

When I was speaker of the House of Representatives in the Massachusetts Legislature, the State university received consistent attention in the developments of plant, faculty, and student body increases. It was during this time that Mr. Mirsky was most instrumental in the passage of a bill through that legestablishing Commonwealth islature. scholarships at the University of Massachusetts. These scholarships afford qualified students the opportunity for a college education and permitted those children of the laboring class from the larger cities who could not possibly afford higher education to take advantage of the opportunities that their more wealthy brethren could handle privately.

Mr. Mirsky's tireless efforts in the Massachusetts Legislature in codifying the laws pertaining to education in the Commonwealth and bringing them up to date so that educators can have the opportunity to administer these laws in the most expeditious manner for the benefit of the general public, is greatly appreciated not only by all teacher and administrators but by the Massachusetts Legislature itself.

Mr. Mirsky's driving force was the stimulus that prodded the legislature into taking definite action to the establishment of an educational TV station sponsored by the Commonwealth, and currently being established by the famed Lowell Institute. We all hope that Greater Boston will soon enjoy this marvelous innovation in education that will come to them through TV channel 2. It will afford the hundred educational institutions and universities in the Greater Boston area an opportunity to display and transfer from one to the other their facilities and faculties.

The chairman of the Massachusetts Tubercular and Health League has stated that Mr. Mirsky's untiring zeal on behalf of the health of the schoolchildren of the Commonwealth deserves honorable mention.

He provided support to the bill that permitted periodic X-rays of school employees and children. This law is certain to help assure more complete protection for all schoolchildren of the Commonwealth. No wonder then, that Hugh Nixon, executive secretary of the Massachusetts Teachers Federation, praised the efforts of the Democratic Party in general and Mr. Mirsky in particular, for their work on behalf of both the teachers and the schoolchildren.

The Democratic Party in the Commonwealth has championed a State dental and medical school. The recent platform adopted at Worcester by the preprimary convention reiterated that demand. If this compact will help to increase medical and dental services in the Commonwealth, I believe that it will receive the blessings of the Democrats in the Commonwealth, but if it be a mere subterfuge to delay and hinder the production of medical and dental services or in any way lower the stringent stand-

ards that we in the Commonwealth insist upon, then it will be subject to criticism.

I therefore feel that this Congress should make every effort to give consent to the compact and we trust that the individual States making up those great New England States will follow through with the high ideals for which this compact was originally proposed.

H. R. 7839

EXTENSION OF REMARKS

HON. WILLIAM E. HESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 20, 1954

Mr. HESS. Mr. Speaker, I was unavoidably absent early in the day today, July 20, due to a cancellation of the American Airlines flight from Cincinnati, Ohio, to Washington, D. C., on which I had made reservations.

Had I been present at the time the vote was taken on the motion to recommit the conference report on H. R. 7839, I would have voted against it, as I favored the provisions contained in the report with reference to public housing. I previously voted for a provision like this when the bill was originally on the floor of the House. The amendment was offered by Representative Widnall and was defeated by an overwhelming Democratic vote.

I would also have voted for the adoption of the conference report had I been present.

Juvenile Delinguency

EXTENSION OF REMARKS

HON. HOWARD S. MILLER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1954

Mr. MILLER of Kansas. Mr. Speaker, not only as a father, but as a citizen, I am greatly concerned about the increasing juvenile delinquency in this country. We are all concerned. Every man and woman in the Nation with any appreciation of the higher motivations of human beings must be greatly concerned. The question arises: What is the cause of this increase in delinquency among the youth of our land? Not until we have ascertained the cause can we intelligently even consider the remedy.

What is the cause of delinquency? If delinquency is on the increase in recent years, something has taken place in that time that has brought it about. Yes; I used the word "brought" deliberately, for I lay it down as a settled and undisputable fact that juvenile delinquency is the product of the situations and conditions that the adult human beings create and place around the youth of our land. They are just as upright, just as delin-

quent, as we their elders and their parents have made them. The very fact that Congress and the people are wishing to do something about the situation is evidence that we realize that the environment we throw about our young people influences their character. If it will influence them in the future, it has influenced them in the past. But it was we adults who made the environment that produced the present character of our young people. It was therefore our responsibility.

Now that we have found ourselves to be responsible, the next question is: What have we done or failed to do that has brought on this regrettable situation? What changes have taken place in the environment of our children and young people? Where and under what circumstances do we find the greatest increase in delinquency? I understand that it is in the larger cities. If that is true, what is there in the conditions found in the larger cities that contribute to delinquency? Can we agree that the conduct of young people will depend almost altogether upon their associations and the way they spend their time? If we can so agree, and I am sure that we

can, we have now brought our problem to the point where it is only necessary to find for our young people wholesome surroundings and decent employment. Might we further agree that decent employment, by which I mean a job on some worthwhile enterprise, is of itself a wholesome surrounding. How very simple, as simple as reducing a problem in arithmetic to its lowest terms. But to find those jobs in town or city, that is something else. It is a simple matter on the farm. To solve their problem in towns and cities is something else. It is one of our serious problems.

SENATE

Wednesday, July 21, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Light, who hast folded back the curtain of darkness and caused the dawn of a new day to brighten the earth, we beseech Thee to gladden our hearts with Thy light. May our lives be flooded with the radiance of faith, that doubts may be dispelled like mists of the morning. Invade our hearts with new reverence and responsiveness, that even the silence of this hallowed moment may be a benediction at the day's beginning from Thee.

We turn from the busy concerns that engage our minds, from the trivial pleasures that fill the passing moments, from the pressing cares that burden our day. At this wayside altar of prayer subdue the clamor of our hearts, soften every alien note, and for the high mission which by the will of the people has been committed to Thy servants here, in the ministry of the Nation's life, may they hear Thy voice and learn Thy will. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday. July 20, 1954, was dispensed with.

A MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, requested the Senate to return to the House of Representatives the bill (H. R. 6399) granting the consent of Congress to an interstate forest fire protection compact, and the message of the House thereon.

ENROLLED BILLS SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 95. An act for the relief of Mrs. Donka Kourteva Dikova (Dikoff) and her son, Nicola

S. 98. An act for the relief of (Mrs.) Betty Thornton or Jozsefne Toth;

S. 102. An act for the relief of Francesco Cracchiolo;

S. 110. An act for the relief of Christopher F. Jako;

S. 203. An act for the relief of Yvonne Linnea Colcord;

S. 222. An act for the relief of Mrs. Dean S. Roberts (nee Braun):

S. 246. An act for the relief of Gerrit Been; S. 267. An act for the relief of Pantelis Morfessis:

S. 278. An act for the relief of Szyga (Saul) Morgenstern:

S. 308. An act for the relief of Filolaos Tsolakis and his wife, Vassiliki Tsolakis;

S. 496. An act for the relief of Dr. Samson Sol Flores and his wife, the former Cecilia T. Tolentino:

S. 552. An act for the relief of Anna Urwicz:

S. 587. An act for the relief of Carlos Fortich, Jr.;

S. 661. An act for the relief of Nino Sabino Di Michele:

S. 790. An act for the relief of Irene J. Halkis; S. 794. An act for the relief of Paulus

Youhanna Benjamen; S. 795. An act for the relief of Josef Radziwill:

S. 830. An act for the relief of Samuel, Agnes, and Sonya Lieberman;

S. 841. An act for the relief of Dionysio Antypas;

S. 843. An act for the relief of Rabbi Eugene Feigelstock;

S. 855. An act for the relief of Kirill Mihailovich Alexeev, Antonina Ivanovna Alexeev, and minor children, Victoria and Vladimir Alexeev:

S. 891. An act for the relief of Albina Sicas:

S. 912. An act for the relief of Bruno Ewald Paul and Margit Paul;

S. 915. An act for the relief of Augusta Bleys (also known as Augustina Bleys);

S. 917. An act for the relief of Stefan Burda, Anna Burda, and Nikolai Burda;

S. 937. An act for the relief of Virginia Grande:

S. 945. An act for the relief of Moshe Gips; S. 986. An act for the relief of Mrs. Ishi Washburn;

S. 1129. An act for the relief of Jozo Mandic:

S. 1267. An act for the relief of Irene Kramer and Otto Kramer;

S. 1313. An act for the relief of Olga Bala-banov and Nicola Balabanov;

S. 1362. An act for the relief of Rev. Ishail Ben Asher;

S. 1477. An act for the relief of Gerhard Nicklaus:

S. 1490. An act for the relief of David

Maisel (David Majzel) and Bertha Maisel (Berta Pieschansky Majzel); S. 1841. An act for the relief of Carlo (Adiu-

tore) D'Amico; S. 1850. An act for the relief of Dr. John

D. MacLennan; S. 1860. An act for the relief of Amalia San-

drovic: S. 1954. An act for the relief of Anthony

N. Goraieb;

S. 2009. An act for the relief of Mrs. Edward E. Jex: S. 2036. An act for the relief of Joseph

Robin Groninger; S. 2065. An act for the relief of Mr. and

Mrs. Hendrik Van der Tuin;

S. 2677. An act for the relief of Michio Yamamoto:

S. 2820. An act for the relief of Mrs. Erika Gisela Osteraa;

S. 2960. An act for the relief of Barbara Herta Geschwandtner; S. 3197. An act to authorize the acceptance

of conditional gifts to further the defense

S. 3605. An act to abolish the offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under Secretary for Monetary Affairs and an additional Assistant Secretary in the Treasury Department.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

Mr. KNOWLAND. Mr. President, after having cleared the question with the acting minority leader, I ask unanimous consent that the Subcommittee on Rules of the Committee on Rules and Administration be permitted to meet this afternoon during the session of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following a brief executive session and a quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.